



Recommendations of the **BC Resort Task Force** 2004

Presented to:

Honourable Sandy Santori
Minister of State for Resort Development

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MESSAGE FROM THE BRITISH COLUMBIA RESORT TASK FORCE

The members of the BC Resort Task Force would like to thank Premier Gordon Campbell for recognizing the significant role resorts have in the B.C.'s economy and initiating the Task Force. Both Minister Kevin Falcon and Minister Sandy Santori acknowledged our expertise and commitment to creating a sustainable resort industry for British Columbia. Our mandate was clear – promote resort development in British Columbia through the identification and elimination of barriers to investment, development and expansion. We provided advice and input to the Chair on resort sector issues and participated on working committees. While Minister Falcon created the foundation to start our work, the new Chair of the Task Force and Minister of State for Resort Development, Honourable Sandy Santori, provided us with the support to complete our tasks.

At our meeting in Richmond on April 19 and 20, 2004, we reviewed the consultation findings and studies conducted over the past ten months and formulated a set of recommendations to enhance the resort sector and provide B.C. with a competitive edge. The recommendations presented in this report are not solely directed at the provincial government, but represent options that operators, industry associations, local governments, First Nations, investors and the provincial government can implement in their planning and implementation of resort development and expansions across the province.

Minister Santori's guidance, the coordinating efforts of support staff, and involvement of government agencies and ministry representatives helped us throughout the process.

We anticipate that the province's continued work under the direction of the Minister of State for Resort Development will achieve our vision of BC as a world class all-season resort destination of choice.

bc resorts

Part 1. BACKGROUND

Vision

British Columbia will be a world class all season resort destination of choice.

The 2003 Speech from the Throne states:

BC's four-season resorts are an enormous economic asset and represent a major opportunity for British Columbians throughout our heartlands.

This year your government is establishing the BC Resort Task Force to bring together all the resources and assets of government with First Nations and Resort Communities across BC.

It will develop new programs to ensure our resort potential is fully met and fully recognized around the world.

INTRODUCTION: WHY A RESORT TASK FORCE?

Resorts represent an enormous opportunity for British Columbia. In 2002, the resort sector made the following contributions to the provincial economy.

- Approximately \$1.9 billion was spent by resort tourists, which represents 20% of the total \$9.2 billion spent by tourists in the province.
- This direct spending by resort tourists created an equal amount of indirect spending and over \$200 million in induced economic effects.
- BC resorts generated nearly \$178 million in tax revenue for government.
- BC resorts employed an estimated 26,000 people.

British Columbia currently has some 700 resorts, from fishing lodges to ski mountains and eco-tourism operations. Development of new resorts and expansion of existing facilities can provide significant benefits in the regions of the province.

For example, proposed resort projects currently under review by Land and Water BC Inc. [LWBC] represent an estimated \$2 to \$3 billion dollars in new capital investment, and several thousand construction and permanent jobs, over the next 10 to 20 years. Expansion of existing resort facilities under LWBC tenure is projected to generate between \$500 million and \$750 million in new capital spending over the next 3 to 5 years.

The provincial government recognizes the value of British Columbia's resort industry, which needs a favourable business and regulatory environment in order to develop and succeed. On taking office, the government made a New Era Commitment to "stimulate tourism with a plan to improve operators' ability to successfully compete for visitors from around the world." Premier Gordon Campbell challenged the tourism industry to double tourism revenues within 10 years. With BC's successful bid for the 2010 Olympic and Paralympic Winter Games, this goal is in sight but work remains to be done.

To help our resorts and resort communities realize their full potential, in 2003 Premier Campbell announced a new initiative, the BC Resort Task Force.

The Honourable Kevin Falcon, Minister of State for Deregulation, was appointed as Task Force Chair and at the Open Cabinet meeting of June 25, 2003, Minister Falcon presented the Terms of Reference the Task Force would follow over the subsequent twelve months. The Terms of Reference stressed the desire to maximize potential of existing and emerging resorts and resort communities within a sustainable tourism environment.

Task Force Goals:

1. Enhance resort development and partnerships in British Columbia.
2. Identify and eliminate barriers to resort development, creation and expansion.

On January 26, 2004, supporting the work of the Task Force to date, Premier Gordon Campbell appointed the Honourable Sandy Santori as Minister of State for Resort Development and the new Chair of the Task Force. This appointment highlights the provincial government's continued focus on economic development in the resort/tourism sector and in regional economies.

ALL SEASON RESORTS:

A MAJOR OPPORTUNITY FOR BRITISH COLUMBIANS

Resorts which operate all year round are enormous economic assets and represent a major opportunity for growth in the regions of British Columbia. One of the province's key goals is to develop policy that would allow single-season resorts, such as ski hills for example, to expand into summer, fall and spring markets by adding eco tourism, nature-based tourism or other 'off-season' activities. The diversification of the tourism product would help attract more tourists to BC over the entire year.

The trend is towards new types of resort-based developments including wellness centres, agricultural resort areas and marine or water-based resort activities. With an improving economy, continued growth in the tourism sector and government's commitment to stimulate development by removing barriers and streamlining review processes, it is reasonable to expect there will be even greater potential for new investments in the BC resort sector.

BC RESORT TASK FORCE: THE TEAM

In the month of June 2003, the BC Resort Task Force Team was assembled and began work.

The Task Force has drawn upon the skills and expertise of many of individuals and organizations in the resort sector. The Honourable Sandy Santori currently serves as the Chair of the Task Force, which also includes Don Leitch, Deputy Minister in the provincial Ministry of Small Business and Economic Development, and a 15-member External Advisory Group.

The External Advisory Group consists of representatives from industry, First Nations and local government. It is responsible for providing advice, strategic direction, background information on resort development and insight into specific geographic, community, First Nations and industry issues.

In addition, an Inter-Agency Working Group was set up consisting of Assistant Deputy Ministers [ADMs] from various provincial ministries and agencies. ADMs and their staff collaborate on setting policy development, analyzing current regulatory frameworks, and developing integrated action plans to implement the recommendations of the Task Force. Please see Appendix A for a chart that graphs the interaction between the Task Force and working groups.

Over the course of the year, the Task Force sought input from resort developers and operators, both Chairs conducted a fact-finding and consultative tour, submissions were received and research conducted in order to gain a thorough understanding of the resort sector. The section entitled “Gathering Knowledge” highlights the process.

This document reflects the Recommendations of the External Advisory Group as presented to Sandy Santori, Minister of State for Resort Development. It does not reflect the position of the government but rather is meant as a direction to government from industry, local government and First Nations.

External Advisory Group Members

Name	Position	Organization
• Darcy Alexander	Vice President	Sun Peaks Resort Corporation, Kamloops
• Blair Baldwin	Owner/Operator	Pinnacle Consulting, Kelowna
• Patricia (Patty) E. Cocks	Partner	Tigh-Na-Mara Resort, Spa and Conference Centre, Parksville
• Jim Godfrey	Municipal Administrator	Resort Municipality of Whistler
• Jim Greene	General Manager	Red Mountain Resorts Inc., Rossland
• Chief Gibby Jacob	Hereditary Chief	Squamish First Nation
• Lee Malleau	Past President	Economic Development Association of BC
• Craig Murray	Owner/Operator	Nimmo Bay Resort, Port McNeill
• Geoff Pearce	Clerk – Administrator	City of Langford (Resort Municipality of Whistler 1976-1980)
• Chief Sophie Pierre	Director	St. Eugene Mission Resort and Casino, Cranbrook
• Paul Plocktis	Vice-President – Real Estate and Development	Big White and Silver Star Mountain Resorts (Schumann Resorts Ltd.)
• Carol Seable	President and CEO	Fairmont Hot Springs Resort
• Lloyd Webber	Partner and Director	Ski Smithers (Hudson Bay Mountain Adventures Inc.)
• Mike Wiegele	Chairman and President	Mike Wiegele All Season Resort Heliskiing, Blue River
• Eddie Wood	First Vice-President	Council of Tourism Associations

Principles and Direction

Under its Terms of Reference, the BC Resort Task Force is tasked to:

1. Review acts and regulations that affect resort development to improve and streamline application processes.
2. Remove barriers to existing resorts and new resort proposals, and review application timelines and costs.
3. Conduct a competitive jurisdictional analysis.
4. Work with industry, communities and First Nations to identify economic opportunities associated with resort development.
5. Develop a BC Resort Strategy and Action Plan that will lead to increased investment in resort development.

The work of the BC Resort Task Force is guided by the following principles:

Environmentally and socially sustainable

Ongoing efforts to streamline approvals to encourage economic growth will not be at the expense of a sustainable environment.

Dynamic

Economies are dynamic and respond to internal and external forces. Action plans and the BC Resort Strategy will be updated on a regular basis.

Action-oriented

To be successful, the BC Resort Strategy must support action at the provincial and regional levels.

Regionally informed, tailored and responsive

While many government initiatives are designed to benefit all British Columbians, the Province recognizes that each region faces unique challenges and opportunities. Accordingly, the strategy must be tailored to meet these varied needs and reflect the characteristics of residents and investors.

Internally co-ordinated

The BC Resort Strategy and Action Plan will build on New Era Commitments and work with other government strategies being developed or implemented.

New Era Commitment

Stimulate tourism with a plan to improve operators' ability to successfully compete for visitors from around the world.

SCOPE OF THE REPORT

Led by its Chair, the Task Force undertook several months of fact-finding, consultation and analysis in all regions of the province. Findings and conclusions are detailed in the "Gathering Knowledge" section.

The scope of this report is to outline recommendations for a strategic approach that the province and industry can take to ensure long-term growth and development of BC resorts in an environmentally sound and sustainable manner.

PROVIDING OPTIONS: APPROACH TO RECOMMENDATIONS

The recommendations in this report focus on options available to government, industry and communities. Resort development does not take place in isolation. Responsibilities rest with the provincial government and with industry. In many cases, there is also a major role for local and regional government and First Nations. Unless all parties involved are able to reach agreements and consensus, there may be conflict and delays resulting in lost financing, revenue and opportunities.

As discussed in the "Gathering Knowledge" section, resorts in British Columbia take a variety of forms ranging from smaller independent stand-alone operations that specialize in a particular activity, to large all-season resort communities that offer a number of activities, services and business opportunities. While not all resorts aspire to become "resort communities", the Task Force found there can be a general progression from concept and start-up to the development of a resort or cluster of resorts that supports a community.

It is clear that the type of resort and its phase of development present different situations, each with their own specific issues, challenges and opportunities. For example, an existing resort community such as Whistler faces ongoing revenue-generating and marketing challenges. Whereas a proposed undeveloped resort faces a myriad of regulatory, legislative, environmental, socio-economic and cultural requirements before the operator can obtain approval to proceed on construction.

Within this context, the Task Force report explains options for:

- i) helping existing resorts to continue and grow in a financially and environmentally sustainable manner; and,
- ii) expediting new resort development while adhering to environmental, cultural and community values.

The Task Force recommendations provide options that are feasible within the framework of existing legislation and regulation, as well as possible changes to the regulatory environment that will help expedite resort approval and facilitate resort revenue generation.

NEXT STEP: A BC RESORT STRATEGY

As a next step in the Task Force process, the province and industry may consider the development of a strategy to implement the recommendations of this report.

The progressive success of resorts is dependent on the review, modification and implementation of strategic measures that reflect changing social, cultural, economic, and environmental trends and realities. Therefore, to increase the contribution of British Columbia's resorts to the provincial tourism economy, it is important to develop practical recommendations for a BC Resort Strategy.

The BC Resort Strategy will provide:

- increased business certainty within the economic climate for resort development;
- increased clarity of access for potential resort developers;
- a more predictable investment environment;
- increased exposure in the international tourism market;
- reduced conflict between previously competing users of Crown Lands; and,
- expanded use of existing facilities.

The BC Resort Strategy will also provide a clear point of reference for government and the tourism sector when identifying and pursuing new opportunities that are in tune with government and market priorities, industry needs, and emerging trends.

To prepare and capture their full economic potential, new and existing resort developments will need to ensure they take full advantage of the opportunities provided by the 2010 Olympic and Paralympic Winter Games. The BC Resort Strategy will provide operators with the structure to lever Olympic opportunities through marketing and expansion into growth areas such as increased volume of visitors and Olympic theme events at BC resorts.

The recommendations outlined in this Task Force report can serve as the basis for developing British Columbia's new BC Resort Strategy.

bc resort sector

Part 2. GATHERING KNOWLEDGE

WHAT IS A RESORT? THE CONCEPT

Before we can analyze the resort situation in British Columbia, we need to define what a resort is. As reflected in its wide and diverse use, the word “resort” means different things to different people. There is no one clear or accepted definition of the term, which creates problems in the policy and legislative arena where practical working definitions are a necessity. For the purposes of its report and recommendations, the Task Force uses the following general definitions.

Resort

A resort may be simply defined as an accommodation facility that is associated with recreational activities. These activities can include skiing, golfing, boating, fishing, biking, swimming, horseback riding, hiking, nature-based or interpretive tours, and many others. Accommodations can include:

- campgrounds, fly-in fishing lodges, guest ranches or housekeeping cabins
- larger-scale, four-season, multi-facility destination resorts offering a wide range of accommodation, food and beverage services, recreation and entertainment
- casino resorts, health resorts, housekeeping resorts, hunting lodges, marine or marina resorts, recreational vehicle resorts, ski resorts and spa resorts
- all season / four season resorts, alpine resorts, condominium resorts, destination resorts, summer and/or winter resorts, timeshare resorts

Resort Community

For any study, it is important to distinguish between a resort and a resort community. By

their very nature and scale, resort communities play an important role in the tourism sector and generate economic benefits for the whole province. These communities are unique and often require special revenue generating options or legislation to address their interests. As a result, formal definitions are necessary to establish what constitutes a resort community.

In British Columbia, the only legislation defining “resorts” pertains to destination mountain resort communities. Under *the Mountain Resort Associations Act*, the Minister may establish an area of British Columbia within a municipality or a regional district as a “mountain resort area” as long as the Minister is satisfied the criteria are met. This legislated definition applies to ski resorts only.

Other North American jurisdictions have used metrics/specific measurements to formally define a resort community. For example, in Wisconsin a municipality or other political subdivision can enact an ordinance or resolution declaring itself to be a “premiere resort area” if at least 40% of the equalized assessed value of the taxable property within the municipality or county is used by tourism-related retailers. Other jurisdictions use different formulas based on percentage of assessed value, community size and other criteria. The consulting firm, Grant Thornton, LLP, defines a resort community as an area – either incorporated or unincorporated – that has developed around tourism accommodation facilities and recreational activities and has an economy that is heavily dependent on tourism spending.

Please see Appendix F for a detailed discussion on defining “resort” and “resort community”.

INFORMATION SOURCES / KEY FINDINGS

The recommendations in this report are based on a number of information sources including the Task Force's own research, and the efforts and input of many individuals and organizations. This section provides an overview of the research, consultation and findings that were considered during the development of the Task Force's strategic approach and recommendations.

Provincial Fact-Finding Tour

To gain a better understanding of the current state of the destination resort industry in British Columbia, Minister Kevin Falcon, the first Chair of the Task Force, embarked on a fact-finding tour of the province. Commencing in late August and ending in mid-October 2003, over 25 resort facilities including marine and land-based destinations were visited in the Okanagan, Northwest, Kootenay and Vancouver Island and Coast Regions, and more than 100 interviews conducted with resort operators and interested parties. Subsequently, the second Chair, Minister Sandy Santori, visited 8 resort facilities and met with over 40 stakeholders and association representatives from January to March 2004.

Participants were asked to identify ways of enhancing the resort sector, obstacles to development and how the province could best create a climate to develop the sector. Names of groups, organizations and stakeholders interviewed are listed in Appendix B.

Other Submissions

In addition to the tour, the BC Resort Task Force developed a web site with an electronic submission form and 1-800 number to solicit public comments on how to strengthen the resort sector. Seeking feedback and suggestions, the Chair sent written correspondence to over 700

Interviewees included:

- **Local government**
Mayors, Administrators, Economic Development Officers, Regional District Chair and Committees, BC Resort Collaborative, Council of Resource Communities, and other representatives
- **Developers**
Local, national and international developers and resort accommodation developers
- **First Nations**
First Nation governments, development organizations and representatives
- **Resort sector businesses**
Destination resorts, interpretative centres, golf communities, and others
- **Owner/operators**
Various types of resorts including wilderness lodges, alpine resorts, marine resorts, and all-season resorts
- **Resort Sector Organizations**
Resort areas Chambers of Commerce, the Babine River Foundation, Canada West Ski Areas Association, and BC Helicopter and Snowcat Skiing Operators Association

resorts and lodges and over 150 Chambers of Commerce across the province. To date there has been a 20% response rate (140 replies) to the request for submissions. This is considered a high response, compared to the normal response rate of 10%.

Key Themes Emerge

The feedback from these province-wide consultation efforts provided six key themes for resort development challenges in British Columbia.

1. Certainty and Efficiency

Respondents agreed more certainty is needed in government policy, review processes, land use decisions, First Nations issues, projected costs, financing and inter-agency coordination. More certainty is essential to encourage further resort development and expansion.

Investors, developers and resort owners view a certain and stable operating environment as critical to bolster confidence and ensure that BC is attractive for future resort investment. When considering a resort venture, developers want confirmation within a reasonable period of time on whether their project has a chance of proceeding or not.

A related theme often heard in the consultation process was the need to make government review and tenuring processes less onerous and more efficient. Resort developers, owners and operators desire consistency and a reduction in the provincial policy burden that hinders or limits their ability to successfully operate or expand.

2. Coordination with Local Governments

The role of local government is vital in the resort investment and development process. Clear guidelines on local governments' role and involvement are essential to ensure the proper flow of benefits between resorts and local residents.

Local governments want early input into proposed resort developments, and need processes to formalize their involvement on a consistent basis. Similarly, developers expressed concerns about local government involvement impacting on their proposals.

3. Infrastructure & Transportation

Resort expansion and development requires a supportive climate for its continued growth and contribution to the province's economy. This includes greater public sector investment in enhanced infrastructure, particularly transportation linkages necessary for further resort development.

4. Marketing

Coordinated and effective marketing for target audiences is essential to resort industry success. Current marketing efforts are not seen as fully and effectively supporting all regions of the province in terms of promoting the existing resort facilities.

There were also a number of specialized concerns related to marketing. For instance, one operator called for the inclusion of all accommodation types throughout British Columbia in advertising for the 2010 Olympic and Paralympic Winter Games, rather than just the primary hotel market.

5. Regulations

A more flexible regulatory framework was called for by resort stakeholders, with liquor-related issues being at the forefront. Regulations need to be harmonized with the unique traits of resort communities. Specific regulatory concerns forwarded to the Task Force are addressed in the Recommendations section of this report.

6. Human Resources

To properly grow and thrive, the BC resort industry needs a stable, skilled labour force. Training and employee development are major areas for the province and resort industry to address. Employee services, such as health facilities, day care and housing, are also at the forefront of human resource issues.

The recommendations in this report work to address these key themes which emerged during the stakeholder consultation process.

SWOT: Strengths, Weaknesses, Opportunities, Threats

In addition to the Chairs fact-finding tours of the province, the Task Force conducted a review of existing research on British Columbia's resort industry.

A study done in 2003 entitled *Economic Analysis of British Columbia's Business Competitiveness: Destination Resort Sector Analysis*, conducted by Grant Thornton, LLP, provided a contextual overview of a number of the factors affecting resort development in the province. This SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) was largely based on interview input from industry representatives in British Columbia and competing jurisdictions, and a review of secondary source material.

KEY STRENGTHS

- Beautiful scenery, diversity of product opportunities and moderate climate
- High profile of existing resort products, especially Whistler
- Proximity of resorts to Vancouver International Airport (applies to resorts within four hour drive radius)
- Proximity of British Columbia to key U.S. markets
- Commercial Alpine Ski Policy which has provided certainty for ski industry investors, though there are concerns about other aspects of the approval process
- Significant untapped market and product development potential

OPPORTUNITIES

- Creating a transparent, fair, non-discretionary and efficient approvals process
- Modifying the *Mountain Resort Associations Act* to accommodate non-mountain resort communities
- Investing in infrastructure needed to help resorts develop into all-season operations
- Continuing to develop the profile of the resort sector through marketing and leveraging the opportunity created by the 2010 Olympic Games
- Addressing key policy issues such as backcountry recreation tenures
- Developing a best practices guide
- Increasing certainty on the land base through resolving land claims and developing resort partnerships with First Nations groups

KEY WEAKNESSES

- Complexity of the application's process (EAO, LWBC processes, etc.)
- Current structure of the *Mountain Resort Associations Act*
- Certainty concerns, sometimes associated with First Nations land claims issues
- Lack of revenue-generating tools for resort communities
- Lack of an international airport in Cranbrook for Kootenay/Columbia Valley resorts
- Inadequate management of backcountry recreation activities
- Escalating insurance costs
- Difficulties faced by developers in securing financing
- Lack of awareness regarding resort investment opportunities in the province
- Challenges faced by resorts in some areas to develop an all-season product

THREATS

- Global political insecurities and volatility combined with economic downturns that affect travel worldwide
- Unresolved land claims
- Increasing and aggressive competition from other resort jurisdictions
- Shifting demographics as the Baby Boomers enter retirement
- Changes in value to the Canadian dollar
- Forest fires, pine beetle infestations, and other environmental disasters

The results of the SWOT analysis provide an important context and help to set the stage for the recommendations contained in this report.

Application Process: Hard to Get There from Here

Before a resort can proceed from concept to construction, the proponent needs to comply with a complex range of governmental approvals, regulations and review processes. Two studies conducted by Grant Thornton, LLP, reveal the large amount of effort that developers must currently devote to obtain approvals for any new resort venture in British Columbia.

The consultants based their analysis on a review of government Acts, guidelines, policies and websites. Each process map was vetted by the Inter-Agency Working Group with knowledge of the approvals system.

A Case Study: Skiing Uphill

Using a proposed alpine ski resort as an example, the following case study outlines the provincial government review process that a developer must go through before receiving approval to begin construction.

First, the proponent may start with the Commercial Alpine Ski Policy (CASP) administered by Land and Water BC (LWBC) to produce an accepted Master Plan, which requires public consultation and interagency review, and must satisfactorily address all issues raised.

Even though a Master Plan may be approved under CASP, if the project includes over 2,000 bed units of which 600 beds are of commercial overnight accommodation, it is subject to review under the *Environmental Assessment Act's* Reviewable Project regulation, which considers advice from government agencies, First Nations and the public.

The proponent is responsible for addressing all issues, concerns, consultations and regulations, and for conducting any further required research

The diagram in Appendix C provides a visual overview of the application process currently in place for any proposed major resort development in the province. The exact steps will vary depending on the proposed scale, nature and location of the resort. It could be subject to provincial government requirements associated with the Commercial Alpine Skiing Policy (CASP), the *Environmental Assessment Act*, the *Land Act*, and Crown land tenure application procedures.

This does not include the requirements of municipal government, regional district, federal government, and First Nations laws, regulations and processes that need to be considered, often simultaneously.

including geotechnical, archaeological, environmental, infrastructural and socio-economic studies. All of this may cost additional time and funds.

Even if a project is approved at this stage, the proponent must acquire all necessary regulatory permits from respective individual ministries and agencies, all of which have their own time frames and associated fees.

Approval and acquisition of necessary permits and Environment Assessment Certificate does not guarantee access to Crown land, which many large-scale resorts require to run their operations. While information prepared as part of the CASP and the Environmental Assessment Office (EAO) processes can be used to meet information requirements of the Crown land tenure procedure, there may be additional fees and timelines which vary by type of proposed land use.

In conclusion: it is often difficult, costly and time-consuming to get a resort development proposal approved in BC.

Cross-Jurisdictional Comparison Studies: How Our Competitors Do It

To evaluate new policy and approaches that will facilitate resort development in British Columbia, the Task Force commissioned City Spaces Consulting to complete a review of competing jurisdictions such as Colorado, the Bahamas, Norway, Alaska, Alberta, and the State of Victoria in Australia. Their resort development and review procedures were examined in detail, including:

- centralized approval agencies
- coordinating review processes
- timelines
- process duplication
- early project suitability indications
- land use planning
- environmental impact studies
- public and First Nations consultation processes

Looking at other jurisdictions highlighted new approaches to BC's need for more efficient resort development processes, and provided a number of models that the recommendations in this report build upon.

The Task Force concluded that British Columbia can apply mechanisms from other jurisdictions that will make the resort sector more appealing to potential investors. The key priority is to reduce duplicative processes through harmonization, and ensure a transparent and clear approvals processes. This finding from other jurisdictions directly echoed the feedback and recommendations from the British Columbia process studies and the Task Force's province-wide consultations.

The Task Force also noted that the concept of providing an “approval-in-principle” to applicants early in the process is a tool used by many jurisdictions, especially Alberta, to attract investors. Approval-in-principle makes these jurisdictions more competitive than British Columbia, due to the increased certainty provided by an early expression of interest. There is no compromise with standards, as these jurisdictions require the same rigor in their review processes. However, by providing a level of assurance to the investor at the start of the project analysis, it indicates a willingness by the jurisdiction to proceed with the project.

Supply and Demand Studies: BC's Current Assets and Future Potential

The Task Force also commissioned a supply and demand study to determine the economic impact and the future demand for resorts in British Columbia. This study examines the key emerging areas of opportunity in the province's resort sector.

The Economic Planning Group completed the primary supply and demand study in

December 2003. The study looked at the current status of BC resorts, how BC resort communities fit into the domestic and international tourism environment, and what the market might look like in the years to come.

The study included a regional overview of resort supply and projected demand. Results are summarized below:

Where We Are Today

- BC has approximately 700 resort properties.
- About 20% of the resort properties and 44% of the accommodation rooms are in Whistler.
- About 30% of the resort establishments (171) are located in resort areas.
- About 70% (395) are free-standing resort facilities.
- Nearly two-thirds (63%) of accommodation rooms are located in resort areas (including 44% in Whistler alone)
- One-third (37%) of accommodation rooms are in independent, free-standing facilities.

Regional distribution: resorts are located throughout the province. The largest concentration of facilities is in the Thompson / Okanagan (125), Mainland / Southwest (124), and Vancouver Island (114) regions.

Ski Resorts: In terms of ski resorts, The Canada West Ski Areas Association (CWSAA) represents about 42 ski areas in BC. The fifteen largest facilities represent about 90% of the total skier day visits. In Canada there are 283 ski areas and another 503 in the United States. BC facilities represent 16% of the Canadian total and are equivalent to 9% of the American total.

Assessed value of the accommodation component of resorts in the province is estimated at \$2.2 billion.

Resort construction in BC during 2003 was valued at \$365 million, based on \$275 million for eight Interior resorts and \$90 million for Whistler.

Total tourism spending in the province on all products and services totalled \$9.2 billion in 2002.

Resort component: total spending in the BC's resorts was nearly \$1.9 billion in 2002. Consequently, resort spending represents just over 20% of the total tourist spending in the province. By intentional omission, as the Task Force mandate was focussed on the regions of the province, it does not include any facilities in Greater Vancouver, Victoria, or any other urban areas.

The impact of resort spending is felt throughout the provincial economy. Direct spending of \$1.9 billion created another \$1.9 billion in indirect effects, and over \$200 million in induced effects. The total impact of resort spending throughout the BC economy was estimated at just over \$4 billion annually.

The Gross Domestic Product (GDP) effect of resorts, or the effect of total revenues less total purchases, was over \$1 billion, of which approximately 88% was indirect and 12% induced.

Total employment created by resorts was estimated at over 26,000, including 24,000 in indirect employment and 2,100 in induced employment.

Total tax revenue generated by resorts was nearly \$178 million, including \$94 million to the provincial government, over \$60 million to the federal government, and \$23 million to local governments.

Future Trends

The supply and demand study also noted several factors that will help to drive progressive growth in the resort industry, including:

- The continuing recognition of British Columbia's unique and scenic natural landscape.
- New and evolving resort-based recreation activities and trends such as mountain biking, ocean kayaking, wellness activities, and adventure travel.
- A trend towards blending residential development with resort development, resulting in symbiotic benefits that increase visitor stay times and the volume of repeat customers.
- An ability to absorb and accommodate increased demand for skiing in BC's interior.
- Increasing roles for First Nations and new tourism products connected to Aboriginal cultural experiences.
- A diversity of target audiences that are expanding, including US and Asian alpine ski tourists, international visitors, soft adventure enthusiasts, and seekers of winter activity (especially with events and venues leading up to the 2010 Olympic and Paralympic Winter Games).

There are a range of trends that will impact the evolution of resort development in BC. Some are positive, some are negative, but the net effect is positive. British Columbia has an unparalleled resource base upon which to develop a range of resort products, including mountain resorts, golf resorts, and ocean/lake resorts. The market outlook is also positive, driven in large part by the large, active and affluent baby boomer demographic.

In conclusion, there is excellent potential for developing and expanding the resort industry in the province. However, there are also barriers to realizing that potential.

resort development

Part 3. RECOMMENDATIONS

Action and Change Needed to Meet Complex Challenges

The challenges facing the British Columbia resort industry are not insurmountable, but many require mid-term to long-term actions to achieve needed changes and allow the industry to reach its potential. The Task Force recognizes the complexity of the challenge, and understands that considerable inter-agency and jurisdictional

cooperation will be required to bring about change.

Reflecting the key themes that emerged during research and consultation with resort industry stakeholders, the Task Force has organized its recommendations as follows:

Themes	Recommendation
<i>Certainty and Efficiency</i>	1. Achieving Greater Certainty and Efficiency
	2. Resolving Land Use Conflicts
	3. Increasing First Nations Involvement
	4. Increasing Certainty for Financing
	5. Moving Towards Sustainability
<i>Infrastructure / Transportation</i>	6. Developing a Resort Transportation Strategy
	7. Building More Transportation Infrastructure
	8. Encouraging Resort Clusters
<i>Regulatory Framework Issues</i>	9. Making Regulations More Flexible
<i>Marketing</i>	10. Working Together to Develop New Opportunities
	11. Marketing
	12. Investor Recruitment
<i>Human Resources</i>	13. Addressing Human Resource Needs
<i>Local Government</i>	14. Helping Resort Communities Develop

RECOMMENDATION AREA 1:

EFFICIENCY AND CERTAINTY

Investors, developers and resort owners view **certainty** as a critical factor to strengthen investor confidence in British Columbia, improve the investment climate and ensure that BC is attractive for future resort development. Developers want confirmation within a reasonable period of time on whether their project has a positive chance of proceeding, as is done in other competing jurisdictions.

The processes for acquiring permits, licences, and tenures are often viewed as being long, costly, complex and cumbersome. This often leads to inefficient timelines for developers and operators, and as a result, greater difficulty in attracting strong investors. Streamlining and coordination are necessary to ensure greater **efficiency** in BC's development review system.

Policy and Process / Inter-Agency Coordination

Developers, investors and resort operators are seeking a simplified and harmonized application and approvals process. Major obstacles cited by new resort developers include:

- dealing with numerous government agencies and departments;
- lack of inter-ministerial communication;
- inconsistency across ministries in the implementation of government policy;
- confusion in dealing with different individual branches or staff;
- waiting for responses from government agencies;
- being required to conduct additional studies;
- agencies not having sufficient information to make a decision and requiring proponents to collect additional data;
- requirements for approvals and standards are sometimes revised, thus "moving the goalposts" midway through a development process; and
- layers of complicated government bureaucracy and approval streams which are not fully harmonized.

Many of these same policy issues also apply to existing resorts trying to expand their base of operations or land tenure. In addition, resorts wishing to develop an all-season product also face unique challenges with the current legislative and policy framework. All-season resort issues include:

- Commercial Recreation Policy;
- obtaining access to land under Crown control, such as the Agricultural Land Reserve; and
- conflicting ministry operations, such as forestry timber-cutting activities and mining resource extractions which may affect resort views.

First Nations issues add another layer of complexity. All British Columbia ministries and agencies pursue First Nations consultation, as a matter of policy, to address legal obligations. Resort projects often require approvals from multiple agencies, each with different consultation requirements. This increases duplication, timelines and expenditure of resources. It also strains the capacity of First Nations seeking to be involved in planning processes.

Shifting the Paradigm / The New Model

Clearly, government and industry recognize the need to harmonize and streamline the review and approval processes for proposed resort developments and expansion of existing resorts. A fundamental shift in the policy model is necessary to bring tangible results that will be of direct and immediate benefit to the resort industry. The Task Force recommends the transition from a process-driven approach for resort development, towards one that is results and time-based. Time lines should be established to expedite an efficient application process.

Government agency staff also require a paradigm shift in how they conduct provincial business to foster local economic growth and recognize the differing needs of small operations and large developments. What is called for is an entrepreneurial approach which protects the public interest but signals that British Columbia is open for business.

Harmonization of the review process can be approached on five levels:

- (1) **Guidelines** – provincial processes need to be clearly spelled out in guidelines for prospective resort developers. Present guidelines were found to be lengthy, confusing and often outdated (e.g. referring to organizations by old nomenclature). Some government websites are also complex and outdated.
- (2) **Application processes** – harmonized processes with clear timelines and benchmarks are needed. With the recent introduction of the 140 day time line for Commercial Recreation Tenure applications and the new changes to the *Environmental Assessment Act*, this situation has already improved significantly.
- (3) **Consultation** – First Nations and public concerns regarding proposed projects must be gathered in a coordinated and non-duplicative manner.
- (4) **Permitting** – approval confirmation in a “one-stop shop” format must be provided to ensure that once a project meets provincial standards, the proponent has permission to proceed and obtain financial backing.
- (5) **Local and regional government**--- harmonization and greater coordination should take place in the initial stages of development with local and regional governments.

Province Taking Action

The provincial government has already started a cross-ministerial review of the current application processes and is examining ways to harmonize steps, eliminate duplication and ensure consistency.

For example, Land and Water BC [LWBC] is reviewing opportunities to create additional investment and support a shift to all-season resort activities by:

- reducing bureaucracy;
- alternative investment mechanisms; and
- providing greater land tenure security.

As well, anticipating the Task Force recommendations, LWBC has begun to work on a new Master Development Agreement [MDA]

template and revisions to the Commercial Alpine Ski Policy *that* will create an All-Seasons Resort Policy. This initiative will provide resort operators with:

- a common/generic Master Development Agreement;
- year-round controlled access to tenure;
- the ability to authorise a full range of commercial recreational activities, either directly or by sub contract; and
- clarity and consistency in core areas within the agreement, such as a new definition of gross revenue.

Single Window for Resort Applications

A key re-occurring theme that arose in the BC Resort Task Force's research, analysis and consultations was the need for a "single window" approach to development.

Currently in BC, a project proponent must consult with and provide documentation to a maze of organizations, that adds to the length, confusion and frustration inherent in the process. For example:

- LWBC is responsible for the disposition of crown land;
- the Environmental Assessment Office [EAO] is responsible for the issuing of an environmental certification for large commercial operations [over 600 over night commercial accommodation beds];

- the Ministry of Sustainable Resource Management is involved in land use planning and mapping;
- the Ministry of Forests deals with the removal of land for resort development; and
- numerous agencies are involved in permitting and licensing.

When the responsibilities and authorities are spread amongst so many diverse ministries and agencies, can government create a single window to coordinate applications and reviews for development? Yes, and there are different ways to do it.

The Task Force, in its review of other jurisdictions, looked at the Alberta model and Ontario model, which have both proven effective in different ways.

Alberta Economic Development Authority

The Alberta model is the Alberta Economic Development Authority [AEDA]. This is the "investment office" approach where staff serve as facilitators to encourage development in the province. Alberta advertises that if you are an interested developer, they will assist you. The AEDA is the one window for the

Alberta Tourism Recreation Leasing Process. Through formal agreements, three key provincial agencies -- Sustainable Resource Development, Environmental Protection, and Economic Development -- work together to process a proponent's application.

Ontario Realty Corporation

The Ontario approach is far more comprehensive than Alberta and represents a model for economic development, including linkages between provincial and municipal governments.

The Ontario Realty Corporation [ORC] is a provincial Crown Corporation that oversees and manages physical and land assets including over 6,000 buildings and approximately 40,000 acres of land province-wide. ORC provides the provincial government and all of its ministries with a broad range of services. ORC is also a

champion for strong provincial relations and for helping municipalities realize their economic goals. One of the ways the ORC does this is by identifying under-utilized provincial land and selling it at fair market value to municipalities, private companies and recreational associations.

The BC Resort Task Force analysis concludes that the Ontario model is a unique blending of environmental assessment and crown land leasing.

The British Columbia Way (A New Model for Resort Development)

Based on the recommendations of the BC Resort Task Force and cross jurisdictional reviews, the following one-window model is suggested as an approach for resort development and investment in British Columbia. It has been recommended that the Ministry of Small Business and Economic Development be the one-window office in light of its service plan and accountabilities to the Provincial Government 3-Year Strategic Plan under the first goal of a strong and vibrant provincial economy.

This approach links statutory, regulatory and permitting authority through one office along with an approach to investment and marketing of opportunities for the province. It will reduce the application process and harmonize and eliminate duplication.

The investor would first approach, or in some cases, be approached by the British Columbia Resort and Investment Office which would act as a coordinating office, bringing together all line ministries and interested jurisdictions that would be impacted by the proposed project. The office is an example of integrated service delivery. Directors from their respective agencies would form the Resort Team as illustrated in "The New Model" diagram. The goal of the Resort Team would be to ensure the project is handled in the most time-efficient and expedited process. They would also act as a policy and monitoring team as continuous streamlining and harmonizing, identified by the Task Force recommendations, are continued.

The British Columbia Resort and Investment Office would act as the one-window office for the developer to clearly scope and articulate the project. The office would advocate and assist the developer to identify the suitability of the project and any impediments to its completion. It would also identify agencies and their mandates from which the proponent will be required to seek approvals along with timelines. Local and regional issues of significance to the development would also be identified at the inception.

It is a major shift from the present process that requires developers to approach and seek approval from multiple agencies. Instead, a single provincial office will assist the shepherding of proposed projects through the appropriate steps. The office will also identify where appropriate linkages to processes outside provincial jurisdiction, including local and federal and First Nation governments, are required and invite their participation.

Early Project Suitability Indicators

The province's one window office would have the authority to provide the developer with a general **project suitability report**. This report would provide the developer and investor with confidence to move forward with their planned

The one window approach will focus on the development of standardized application processes so that resort developers can better understand provincial requirements and expectations prior to investing their time in an application.

Uniform interpretation of the approval of requirements will allow for better coordination between the developer and agencies. This transparency will bolster confidence in BC among investors and provide more impetus of compliance with the provincial application and consultation process.

Most importantly, the new model will increase efficiency by providing tangible and transparent timelines that allow the developer to properly plan their staged financing work to construction schedules and track a project through the process with predictability. The model will also allow line ministries and agencies to continue their policy and streamlining work.

project or would clearly identify the challenges to proceeding. This initial level of certainty helps the developer decide whether they wish to proceed with base line studies and make a financial commitment to the project.

The New Model In Action:

The three lead agencies involved in resort development are Land and Water BC [LWBC], the Environmental Assessment Office [EAO], and Ministry of Small Business and Economic Development [SBED]. The EAO and LWBC application processes, legislation policy and guidelines were analyzed by the Streamlining Committee of the BC Resort Task Force. It soon became apparent that there are very strong similarities and overlaps between the two agencies. On projects that require both EAO and LWBC approvals there are clear opportunities for both agencies to reduce duplication and to harmonize processes.

After analyzing the two processes, the Task Force Streamlining Committee concluded the following:

- (1) If both processes can be synchronized to commence at the same time, the entire length of the application process could be reduced by half. The LWBC process can be reduced from a maximum of 90 months to 30 months. The EAO process remains the same, to meet its legislation and timing requirements, but the need for duplicate reports, duplicate meetings and duplicate consultations can be eliminated.
- (2) Harmonization between the two agencies can take place in three critical areas – public consultation, First Nations consultation, and information requests. This would save the project proponent, the government, and all stakeholders' further duplication of effort and help reduce the length of the process.

One must keep in mind that the EAO process only comes into effect on projects that have over 2,000 bed unit accommodations of which 600 are commercial accommodation. The province deals with one to two such projects per year. The majority of the province's projects are of a smaller nature and would seek approval under the Commercial Alpine Ski Policy program or Commercial Recreation Tenure Program of LWBC.

The LWBC process can be reduced as indicated and under a new All-Season Resort Policy, can be streamlined.

The SBED over the last year established two very active programs to assist with economic development – the On-the-Ground and the Fast Track programs. On-the-Ground focuses on developments at the regional and site level while Fast Track focuses on the identification and needs of permitting requirements.

These processes can be drawn closer together for greater efficiency through policy and organizational changes, with limited legislative changes.

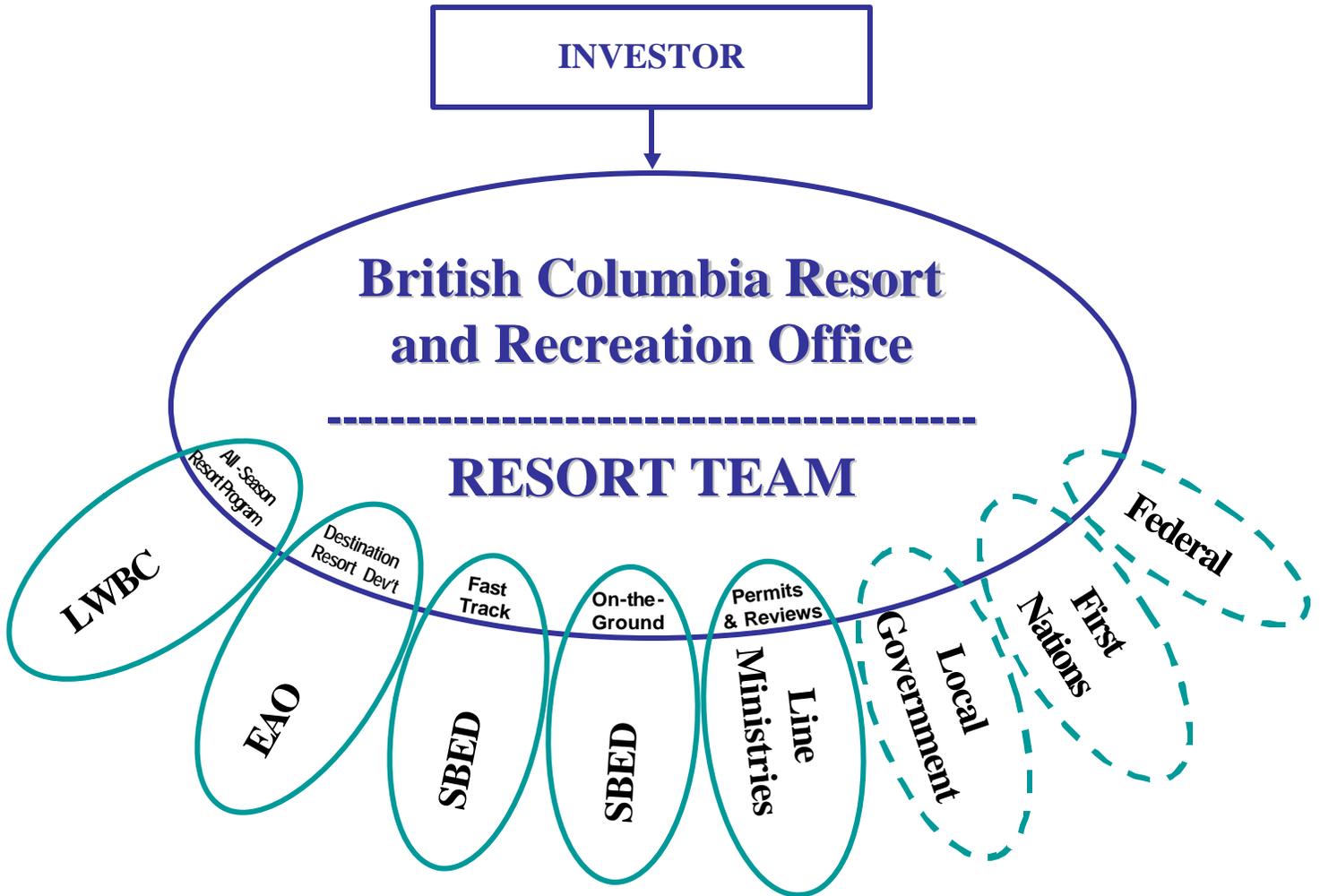
By establishing a Resort Team in the British Columbia Resort and Investment Office as per the following diagram, all the resources of government are combined and aligned under one-window to work toward facilitating all-season resort development in BC.

Resort Team – British Columbia Resort and Investment Office

The director of the office will coordinate, facilitate, and monitor team performance. The team will involve active participation of the following program directors from key agencies:

All-Seasons Resort Program	LWBC
Tourism Destination Resorts Projects	EAO
On the Ground Program	SBED
Fast-Track Program	SBED
Permitting & Review Programs	Line Ministries (i.e. WLAP, MSRM, MoF, MoT, MCAWS, MEM)

BC Resort and Investment Office – Resort Team



BC Resort and Investment Office Process Diagram

Step 1

- Investor meets with Office Staff
- Investor completes application template that encompasses common application information for all agencies i.e. name, location, intent (similar to one-stop business project)

SCOPE OF PROJECT IDENTIFIED

Step 2

Resort team then:

- Reviews project proposal
- Sets meeting with Investor
 - Resort Team & Investor discuss process, timelines, preliminary impacts / challenges

**2
weeks**

Investor decision:

- YES proceed
- NO terminate

**30
days**

Step 3

IF YES, then:

- Project Suitability Report produced
 - Outlines process
 - Data information
 - Responsibilities
 - Timelines
- All agencies agree

**30
days**

Process begins

**MAXIMUM 24 MONTHS TO COMPLETE
ON PART OF BOTH PARTIES**

Resort Team monitors project:

- Reviews timelines
- Works with Agencies and Investor when challenges arise

**24
months**

1. ACHIEVING GREATER CERTAINTY AND EFFICIENCY

The British Columbia Resort Task Force recommends that the province develop a one window resort office -- British Columbia Resort and Investment Office. The one window approach would see the integrating of all provincial review and applications processes and a proponent guided through all stages of the application process. This office would have on going responsibility for resort development both new and existing operations, it would work toward resolution of conflicting and competing interests that may affect application processes, it would be a coordinating body bringing together the various agencies with statutory authority in an effort to expedite project approvals in a timely manner. This office would also work very closely with local and regional governments and First Nations bringing their input into the process at the beginning of the project. Where applicable this office would work with line agencies to seek Federal and local and regional government harmonization and coordination.

- Permitting and approval confirmation should be developed into a one window approach. The models used by one stop business and the land and information one stop should be examined closely and similar approaches taken to permitting and initial information requirements.
- The one window office should work toward the development of concurrent processes and reduced timeframes for project review. Operationally it should reflect a process that has well defined outcomes, sign off to timelines, and provides the proponent with early project suitability indications prior to entering into detailed project documentations.
- Policy should be transparent, uniformly applied and consistent across agencies.
- Provincial processes need to be clearly spelled out in up-to-date and accurate guidelines for resort developers.
- Consultations and approvals with First Nations, local and regional governments, and the public regarding proposed projects must be done in a coordinated and non duplicative manner.
- The necessary policy to create all season resort development should be developed by LWBC and suggest revising the Commercial Alpine Ski Policy into an All-Season Resort Policy to encompass a wide range of resort types with a focus on reducing and preventing land use conflicts with existing resorts.
- Continue the ongoing work for change and realignment in the Master Development Agreement (MDA), including a standard MDA template for clarity and efficiency.
- Ensure the new MDA template provides operators with an ability to authorize a full range of commercial recreation activities within the resort area, directly or by subcontract, on a year round basis.
- Harmonize tenuring processes for Crown Lands and recreation tenures on park lands in order to improve consistency in policy application.
- Eliminate duplication in studies and review processes.

Certainty Issues: Conflicting Land Use

Conflicts, overlaps, and incompatibilities in Crown land use policies figured prominently in responses from resort industry stakeholders. There are also concerns that government should take stronger action against unauthorised users of public land.

There are a number of examples of overlapping uses of land in the province, such as:

- snowmobiling / heli-skiing;
- guided horseback riding / mountain bike riding;
- wildlife / heli-hiking; and
- all terrain vehicle usage.

As well, the Task Force heard about forestry and mining activities affecting visual quality (viewscales) in areas used by resort or tourism operators.

Notably, the previous Mining Task Force and the Belsey MLA Task Force both have referenced the difficulties associated with conflicts on the land base.

Land-use conflicts occur at two main levels:

- (1) The first level of conflict is between industry sectors, such as forestry versus tourism or mining versus tourism. The recent Mining and Tourism Memorandum of Understanding is a positive attempt to define interests and resolve conflicts. This cooperative approach should be taken by other sectors.
- (2) The second type of conflict is at the operator level, where tenure holders find multiple users on a single area of Crown land. These conflicts affect not only large ski operators, but in many cases, smaller nature-based

operations. For example, a backcountry ski operation that markets its product as pristine wilderness will lose market position if its tenure area is overrun by motorized vehicles. Additionally there are many safety factors related to motorized and non-motorized activities occurring within the same area. Many submissions indicated that both activities can co-exist, but the parameters need to be clearly defined and agreed upon by all parties, along with a clear indication of liability within the tenuring documents.

Other concerns raised by tourism developers regarding land use include:

- a lack of protection for natural resources -- for example, clear-cutting which is visible from a key viewpoint is not good for adventure tourism product development and visual resort quality;
- difficulty in purchasing Crown land makes it difficult to harmonize tourism activities with other uses – for example, ski hill operators want to oversee the recreation activities within the entire area covered by their tenure but are not able to do so with leased land;
- a need for snowmobile legislation and to consider snowmobile trail development when approving resorts; and
- complaints that the province's management of specific land use activities, such as closure of forest recreation sites, bans on use of backcountry areas, and reduced park services need to be done in a manner that supports tourism.

Stakeholders were of mixed opinions as to whether there is too little land use planning, or too much planning and too little flexibility within land use designations.

A recent concern that Task Force members identified as a possible concern is the Federal *Species at Risk Act* (SARA). The Act is designed as a key tool for conservation and protection of Canada's biological diversity and fulfills key commitments under the United Nations

Convention on Biological Diversity. The purposes of SARA are to prevent wildlife from becoming extinct in Canada, to provide for the recovery of wildlife species that are extirpated, endangered or threatened as a result of human activity, and to manage species of special concern to prevent them from becoming endangered or threatened. SARA will be fully enacted June 2004 and British Columbia needs to complete its response to SARA.

2. RESOLVING LAND USE CONFLICTS

The British Columbia Resort Task Force recommends the following actions:

- Jurisdictional overlaps within line ministries should be eliminated and statutory authorities delegated when appropriate. Line ministry silo effects only add to the conflicting land use.
- Mechanisms for conflict resolution should be established that involves all stakeholders.
- Where conflicts exist, provisions should be made to adjust land use plans accordingly.
- On going work to resolve existing major land use conflicts with other sectors, or within the resort/tourism sector, should be continued.
- Land use planning processes and existing land use plans should be reviewed with respect to resort development concerns.
- Specific concerns between motorized and unmotorized recreational vehicles need to be resolved along with snowmobile and heliski conflicts.
- Develop a made in British Columbia legislation to address/protected species at risk in British Columbia that is mindful of and harmonized with the Federal *Species at Risk Act*.

Certainty Issues: First Nations

From the resort operator's perspective, First Nations issues often complicate the prospects of a predictable outcome by adding another layer of input and decision-making to an already complex review process. Investors are concerned that court rulings indicating the need for increased consultation and accommodation for First Nations will hinder or stall proposed projects. Developers often ask government for clarity on these consultation and accommodation requirements.

From the First Nations perspective, many groups desire early involvement in projects and do not want to be approached at the "eleventh hour" during development processes. During

consultation with the Task Force, some First Nations also referred to a lack of communication and coordination between government ministries, and to an environmental assessment process that is unproductive and costly.

The proposed new BC Resort Strategy will seek to harmonize approval processes so they are more compatible with First Nations consultation needs, and to increase aboriginal involvement and opportunities in the resort sector.

Good working relationships have already been developed. The following examples demonstrate a variety of successful business partnerships between First Nations and destination resort operators across British Columbia.

Osoyoos Indian Band Development Corporation & Vincor International

NK'MIP CELLARS PROJECT

Nk'Mip Cellars is a joint venture between the Osoyoos Indian Band and Vincor International to establish North America's first Aboriginal owned and operated winery. An investment of \$5 million created the winery, which produced 3,300 cases in 2000 and increased production to 10,600 cases for the 2003 vintage.

The winery is the second phase of a \$25 million project that includes:

- Nk'Mip Desert and Heritage Centre;
- all season RV Park;
- executive nine-hole golf course; and
- proposed accommodations & conference centre adjoining the town of Osoyoos on Osoyoos Lake.

U'mista Cultural Centre and Museum & Nimmo Bay Resort

WI'LA'MOLA PROJECT

The Wi'la'mola project fosters the development of a cultural and wilderness tourism infrastructure extending from the west coast of Vancouver Island to the back end of the KlinaKlini Valley on the BC mainland.

A protocol agreement between the partners addresses ownership of culture, history and language and guides the working tourism relationship. The project's operating plan builds on eco-system based management to deliver a unique adventure tourism package.

U'mista Cultural Centre and Museum represents the interests of the sixteen Kwakwaka'wakw tribes from Campbell River to Cape Caution and from northern Vancouver Island to the Mount Waddington region of the mainland inlets.

Nimmo Bay Resort, established in 1980, is a locally-owned, internationally-recognized, eco-adventure, heli-venture and fishing resort. The operators actively practice ecosystem-based management from the construction of facilities with minimal impact on the coastal environment, to alternative power generation, waste disposal, and buying local food products.

Gitga'at First Nation & King Pacific Lodge
KING PACIFIC / GITGA'AT
AGREEMENT

The first comprehensive land and resource agreement of its kind was signed in 2000 between King Pacific Lodge and the Gitga'at First Nation of Hartley Bay on the North Coast. It addresses a wide array of ecological and cultural areas of cooperation, and forms a strong partnership for stewardship of the land and water around the lodge.

In 1999 King Pacific Lodge, located by Princess Royal Island south of Prince Rupert, was renovated into a 15,000 square-foot floating lodge facility with 17 luxurious guest suites along with full dining room and lounge.

Kinbasket Development Corporation
(Shuswap Band) & Stonecreek Properties
EAGLE RANCH GOLF RESORT

This major resort development features an 18-hole, 6650 yard, par 72 championship golf course that opened to the public in 2000.

The project's Master Plan will bring a new clubhouse, boutique hotel, spa, restaurants, conference facilities, boating and other recreational activities to the resort over the next few years.

3. INCREASING FIRST NATIONS INVOLVEMENT

The British Columbia Resort Task Force recommends the following actions:

- establish clear lines of provincial agency responsibility for co-ordinating consultation activities to ensure that consultation occurs in the most timely and effective manner possible.
- include First Nations early in the resort planning process.
- encourage proactive recruitment of aboriginal groups as partners in resort development.
- provide support to build capacity with First Nations and their ability to participate effectively in the process.
- establish partnerships / protocols with local government.
- develop guidelines with case studies of positive working relationships between the tourism/resort industry and First Nation communities and organizations.

Certainty Issues: Financing

Major capital investment is essential to develop new resorts or expand existing operations. However, funding is difficult to secure when resorts are located on Crown land.

Many stakeholders stated in frustration that as long as government continues to own the land, investors and developers cannot use the land assets as collateral for obtaining funds from financial institutions. Allowing lease-holders to purchase Crown land, or hold a more formalized interest in the land, would provide operators with necessary collateral to gain financing for development and construction.

Compounding the situation is the relatively short length of tenures and conflicting land uses which make it difficult to justify large-scale investment and obtain appropriate financing. To increase certainty, many operators have requested that the province consider providing longer-term Crown land leases for resort developments.

Other financing issues include the following:

- Operators cannot meet liability insurance requirements as premiums have tripled in the last five years.
- The approval process does not take into consideration the different types of operations and their needs when issuing tenure lengths.
- Resort operators wishing to expand from a single activity, such as skiing, into all-season facility are frequently unable to secure traditional means of financing due to conditions of tenure.

4. INCREASING CERTAINTY FOR FINANCING

The British Columbia Resort Task Force recommends the following actions:

- consider a new Commercial Recreation Tenure Application Process which will:
 - provide input into resource management to meet business needs;
 - ensure a safe (land use) carrying capacity;
 - provide standardized tenure guidelines and lengths of 50 years where applicable;
 - provide tenure designations for 12 month periods allowing for all-season activities;
 - ensure that fee rates no longer fluctuate;
 - mitigate rising liability insurance costs; and
 - provide a clear indication of motorized and non-motorized land usage (designated areas for specific motorized usage, i.e., helicopters).
- develop a new simplified approach to Crown land disposition, which may result in a formal policy direction allowing the sale of remote Crown land for resort development.

Certainty Issues: Moving Towards Sustainability

British Columbia will continue to change during the 21st century. These changes will have ongoing impacts on ecosystems and communities. Some of the predicted changes include:

- average annual temperature in BC may increase by 1°C to 4°C;
- average annual precipitation may increase by 10 to 20 percent in some regions;
- other regions may experience prolonged drought;
- salmon migration patterns and spawning success rates are likely to change; and
- the mountain pine beetle, a major pest, may expand its range.

The impacts of change on British Columbians will depend on the time, the place, and the individual interests involved. However it is clear that the resort industry will have to address issues associated with change over the coming years. Technological innovation such as alternate energy sources may mitigate affects and enhance environmental conditions leading to greater sustainability.

5. MOVING TOWARDS SUSTAINABILITY

The British Columbia Resort Task Force recommends the following actions:

- promote resort expansions that take place in an environmentally-sustainable manner and that highlight the relationship between the resort and its surrounding environment.
- fire protection mitigation / wildland fire interface guidelines (issue development permits to reduce risks).
- use and support alternative forms of energy / fuels that do not contribute to global warming (i.e. wind, solar and water energy).

RECOMMENDATION AREA 2.

CREATING THE RIGHT BUSINESS CLIMATE

British Columbia must create the right business climate to facilitate resort investment and expansion. In addition to increasing certainty and efficiency as outlined in Recommendation Area 1, the business climate can be improved by:

- investing in new infrastructure to accommodate further development;

- clustering of symbiotic ventures; and,
- revising regulations to harmonize with the specific traits of a resort community.

These actions will help expand BC's tourism markets and ensure the resort industry's continued growth and contribution to the provincial economy.

Infrastructure: Transportation

BC resorts and resort communities depend on ground, air and water transportation systems to provide visitors with easy, safe and convenient access to the regions of the province. Visitors' expectations include:

- highways that are safe, well-maintained and well signed;
- user-friendly and easily-available public transportation;
- to resort amenities for visitors who arrive by bus or train;
- a seamless and hassle-free service from the airport to the door of the destination resort for national and international travellers; and
- efficient scheduling of services.

It is important to remember that the tourist experience begins at the first point of contact and that is often a mode of transportation or looking for a sign along the highway.

Building, expanding and upgrading transportation infrastructure is a key factor in improving the business climate. The Task Force identified many transportation infrastructure needs and issues, including:

- airport expansion;
- highway upgrades ;
- highway signage;
- road closures;
- ferry costs;
- scheduling; and
- energy efficient transportation.

Airports

Resort owners, developers, First Nations and local governments emphasized that expansion or upgrades of regional airports, including Cranbrook, Kamloops, Smithers, Prince George and Long Beach, are crucial for the resort and tourism sectors to survive and grow. Please see

Appendix E for an overview of the relationship between airport traffic and resort visitation.

Air service is also important in the development of resort networks. Frequency of flights, direct flights, and pricing are key issues for the destination traveler and have an affect on visitor rates.

Roads and Highways

Stakeholders also expressed a number of concerns regarding surface transportation corridors in BC. In particular, the highways to the Interior and on Vancouver Island, such as Highway #4 from Port Alberni to the West Coast, were flagged for safety issues that potentially deter tourists from travelling to resort areas.

Several of these issues are in the jurisdiction of the BC Ministry of Transportation [MoT], for example:

- the need to continue working with LWBC and the ski resort industry to develop road specifications within ski area developments;
- enabling small companies to initiate van and small bus services between communities; and
- develop an integrated transportation strategy that recognizes the unique needs of resorts.

To approve new roadbuilding projects, MoT requires proposals with a sound business case that include project rationale, cost estimates, and identifies other funding partners. Proponents must also quantify the additional economic benefits to be derived from the project.

Public Transport

Transportation planning also must consider the needs of resort employees. In many cases, resort workers live in more affordable communities some distance from the resort, where costs of

Ferries

Ferry transportation is an essential service for many tourist destinations in BC. Affordability and reliability are primary concerns of many resort destinations. Stakeholders told the Task Force that increasing costs and decreasing levels of ferry service have a negative impact on resorts and resort communities. The high cost of taking ferries can deter visitors and long wait-times at

MoT also requires a similar business case for highway upgrades, including the environmental, community and economic impacts of the proposed design options, and the project's anticipated effects on MoT's rehabilitation and maintenance programs. Highway transportation priorities are managed by Regional Transportation Advisory Committees.

For roads to and from ski resorts, MoT policy is that funding of new roads is the responsibility of the resort operators and does not allow for subsidies to the private sector. However, existing public roads to resorts are maintained by MoT.

Highway signage is a significant issue and a top priority for highway users and stakeholders. This finding is based on feedback to the Task Force and on MoT's October 2003 focus group survey. Both consultations identified a clear need for better signage along BC highways, with signs placed so they do not block the traveler's visual experience.

housing and services are lower. Reliable and affordable local public transport is critical for employees to access their places of work and for the successful operation of BC resorts.

ferry terminals can degrade the tourism experience.

Under the Ferry Act and Coastal Ferry Services Contract, service levels are guaranteed and fare rate increases are limited to 2.8% on major routes and 4.4% on minor routes. The provincial government realizes some ferry vessels and passenger facilities at ferry terminals need major improvements and upgrades.

Railways

BC Rail and CN have issued a joint Request for Proposals to operate third-party passenger tourist trains on BC Rail and CN lines in British Columbia. A final agreement with a third-party is anticipated for April 2004.

Many resort owners have indicated that transportation modes – ferry, air, and rail - must

recognize the effect changing schedules have on their product packages. Product packages are often designed and marketed a year in advance. Therefore, when the schedule is altered without enough advanced notice, both the operator and visitor incur extra cost and reduce BC's competitiveness.

6. DEVELOPING A RESORT TRANSPORTATION STRATEGY

The British Columbia Resort Task Force recommends that the transportation strategy should increase visitor flow to resort areas and regions with a high concentration of stand-alone resorts by:

- integrating with the province's resort and tourism strategies;
- enabling BC's transportation systems to manage higher-volume flows to and from resort areas;
- encouraging and increasing regional air travel opportunities for visitors; and
- ensuring that coastal transportation by ferry is responsive to tourism and resort peak visitor periods.

7. BUILDING MORE TRANSPORTATION INFRASTRUCTURE

The resort industry and government should work together in facilitating the strategic expansion of transportation infrastructure to benefit resort development across British Columbia.

The British Columbia Resort Task Force recommends the following actions:

- working with the tourism sector, the province must strategically select its exterior (transportation) infrastructure investments and develop partnerships to ensure the ongoing diversification of British Columbia's economy:
 - continue with the assessment and rehabilitation of highways to provide increased safety for the travelling public; and
 - provide commitment in principle for the expansion of airport facilities such as the Cranbrook and Kamloops Airports.
- provide improvements to passenger facilities at major ferry terminals and upgrades to ferry vessels.
- improve highway signage – the current signage policy requires review and updating to meet local and regional needs so that signs can help attract road travellers to resorts and destinations; there is a need for consistency in signage.
- continue with the rail initiative to operate third-party passenger tourist trains in British Columbia.

Infrastructure: Servicing Resort Facilities

Utilities, water and sewer services, energy resources and communication services are integral to a well-functioning resort. To deal with the growing influx of tourists, resort communities and major resort developments have infrastructure needs that differ from other communities. For example:

- existing roads, airports, electricity, gas, water, sewage disposal systems, and telephone lines are often insufficient to meet the needs of the resort;
- a resort developer is obliged to secure water interests and address concerns such as water quality and access; and
- developers and the local community must determine whether they can connect to the existing public utility systems, and if so, whether the community's infrastructure can accommodate the resort's needs.

Infrastructure Funding

Currently in British Columbia, the primary capital funding sources for communities are taxes and the Infrastructure Canada-BC Partnership Program. This is a component of Canada Infrastructure Works, a federal-provincial cost-sharing program initiated in 1993 and renewed in 1999, with the new phase extending to 2006. While this program will help BC communities fund much-needed improvements, the need to finance a wide range of vital infrastructure projects will extend beyond 2006.

For resort communities the influx of visitors provides economic opportunities, but also presents infrastructure issues. One major problem BC resort communities are experiencing is the "overbuild" necessary to accommodate visitor peak times. Communities with a limited property tax base bear the costs of overbuild, but do not necessarily benefit from the increased tourism activity.

For example, Whistler's resident population base of 10,000 supports over two million visitors annually. Similarly, Tofino's resident tax-paying base of less than 1,500, hosts and services over 800,000 visitors annually. But no matter how large the number of visitors, the small number of local taxpayers pay the bill for the additional municipal infrastructure needed to support those visitors.

Infrastructure is a crucial element in resort development and expansion, involving numerous parties and significant capital. Finding new ways to pay for infrastructure is essential to improve the business climate in BC.

Many tourism developers have indicated a desire for a dedicated resort infrastructure program that would fund projects such as:

- servicing of conference centres;
- upgrading of safety equipment;
- dealing with contaminated sites and other environmental concerns; and
- expanding resort services including health facilities, daycare centres, and sewer and water systems.

Employee Housing

In contrast to more traditional hotels in urban centres, resorts located in remote areas or in new resort communities have a unique challenge in providing some or all of the housing for their employees. This staff housing is often on the resort premises. Along with housing, resort employees may have additional needs and concerns such as access to schools, public transportation, shopping, recreation, and other community and social institutions.

Affordable housing is critical to ensuring a stable workforce and is an issue that faces the majority of resorts. To address this need, the Resort Municipality of Whistler created a wholly-owned subsidiary, the Whistler Housing Corporation to provide and manage affordable housing. Other resort communities may want to look at the Whistler approach. In the Sun Peaks area, employee housing was integrated in to the community through providing property and tourism incentives.

Clustering

Positive relationships between resorts and neighbouring communities benefit all interested parties including local business, workers, tourism operators and resort developers. The clustering of resorts within a designated area can increase these benefits by:

- fostering collaboration and healthy competition for investment;
- sharing services and costs among resorts;
- creating new opportunities and tourism products;
- enhancing or building new infrastructure such as roads, airport expansions, convention centres; and

- establishing a regional brand that can be more widely and effectively marketed.

Clustering provides a positive environment where resort developers and associated business ventures work together pro-actively and benefit from symbiotic positioning and development. It offers an excellent way to improve the business climate provincially, regionally and locally.

Designating specific “resort zones” within British Columbia would be a tangible expression by government and the local community of their intent to encourage and welcome resort development. To support clustering, a number of businesses could be invited to participate in the development of the local resort economy.

8. ENCOURAGING RESORT CLUSTERS

The British Columbia Resort Task Force recommends that the provincial government and the resort industry should work together to:

- identify infrastructure investments in transportation, or other actions that would help facilitate resort clustering and development on a local basis.
- concentrate development in a defined area, creating a clustering effect that leads to a more efficient use of infrastructure, transportation corridors and public utilities.

Regulatory Framework Issues

The following recommendations concern the day-to-day regulatory framework in BC, rather than the development approvals process discussed in Recommendation Area 1.

The resort industry is affected by a broad range of regulatory categories including liquor restrictions, motorized vehicle regulations, day care, land use, and approaches to compliance. Operators and developers regularly face regulatory challenges that do not take into account the unique nature of resort operations. Addressing these issues presents an opportunity to improve the business climate in BC.

In its consultation with resort stakeholders, the Task Force found that liquor-related regulations are the most prevalent concern. Issues include:

- extending the hours for minors to be present in ski hill lounges;
- extending drinking hours till 4:00 a.m. in resorts;
- limited liquor sales when liquor agencies and grocery store are housed in the same space;

- the current prohibition of liquor sales on statutory holidays; and
- liquor licensing processes for resort properties.

Liquor regulations need to reflect the expectations of international visitors whose cultural norms reflect a different pattern of liquor consumption, both in hours of operation and family participation. For example, families who travel together often desire extended hours for minors in resort lounges where parents eat their meals.

Concerning day care, the regulatory provision that requires one certified Early Childhood Educator for every six children is considered onerous by resort owners. This is due to:

- the frequent lack of certified workers in resort areas;
- increases in the cost of providing daycare; and
- scheduling difficulties, as services are often required on a part time basis.

9. MAKING REGULATIONS MORE FLEXIBLE

The British Columbia Resort Task Force recommends the following actions:

- Motor licenses. Remove or reduce non-safety barriers to entry carriers and increase the number of carrier passenger licenses.
- consider changes to current liquor regulations to include special exemptions and revised regulations for resorts.
- consider a special child-care regulation policy recognizing the seasonality and registration variability of day care facilities in resorts.

RECOMMENDATION AREA 3.

WORKING TOGETHER TO DEVELOP NEW OPPORTUNITIES

Compared to other jurisdictions in the North American marketplace, BC enjoys a large and diverse resort sector. The variety of the activities available, the number of facilities and their quality has created a broad market for the British Columbia resort product.

Although the province has no very large-scale destination resort facilities like Disneyland, it does have one of the most well-known and successful year round all season resort communities on the continent at Whistler. There are also several expanding mountain resort communities that are being developed on the Whistler model. At the other end of the scale, the province has a large number of seasonal, single-

Positioned for Growth

As noted previously by the Task Force, supply and demand studies done on British Columbia's resort sector point towards substantial growth potential. Positive factors include the following:

- British Columbia's unique and scenic natural landscape is internationally recognized;
- The industry is providing new resort-based recreation activities such as mountain biking, ocean kayaking, wellness activities, adventure travel and others;
- Blended residential and resort developments are providing increased services and attracting more visitors;
- The growth in BC's ski industry has exceeded every other jurisdiction in the world;

activity resorts located in the Interior, the North, and along the Coast.

BC is unique in that it has much more resort product than can be used by local residents. As a result, the BC resort industry depends on getting many of its customers from other parts of the country, the United States and overseas.

The resort industry has a diversity of target audiences and they are expanding. Key markets include: US Alpine ski tourists; international visitors; soft adventure enthusiasts; and, seekers of winter activity. The latter market in particular will get even stronger with events and venues leading up to the 2010 Olympic and Paralympic Winter Games.

- There is ongoing demand for more skiable terrain in the Interior; and
- First Nations are increasing their involvement in resort developments and new tourism products connected to aboriginal cultural experiences.

BC also has a history of involvement with innovative resort development and financing vehicles. These include the province's Commercial Alpine Ski Policy and the early acceptance of timesharing and fractional ownership as a development financing tool.

As a result of these factors, British Columbia is well positioned to take advantage of the expansion in resort demand that is anticipated as the global population ages.

Demographic Changes Impact Resort Industry

Over the next ten to twenty years, demographic changes resulting from the world's aging population will have a dramatic impact on resort patronage and development. The most significant trend is that the baby boomer generation is entering retirement age.

Within the baby boomer market segment, there are specific sub-groups who are expected to be the best prospects as resorts customers. These sub-groups include: middle-aged singles; middle-aged and older couples; and middle-aged and older parents travelling with children and grandchildren.

Aside from growth in the dominant age cohort for travel -- the baby boomers -- other important demographic changes include a general increase in the British Columbia population. This will

expand the size of the potential local market for vacation travel and resort visits. The total provincial population is expected to increase from nearly 4.1 million in 2000 to 4.6 million in 2010 and 5.2 million by 2020.

Forecasts of participation rates in selected summer and winter activities by Canadians and Americans are reasonably positive. Although the aging of the population will limit participation in the more active outdoor pursuits associated with resorts, the general population growth will offset this trend.

It is imperative that the industry understand and recognize who the competition is and where the emerging markets are. Research into the needs of the visitor and consumer demands is critical to business success.

Growth Areas: "One-Stop Shopping"

Based on the discussed trends, the Task Force identified the following growth areas and emerging opportunities for resort development and expansion in British Columbia. In general, the "one-stop shopping" concept can be applied by resorts and resort clusters to increase market share. Travellers are becoming more sophisticated in their expectations and in what they want to experience. By adding new products and facilities, a resort will attract more visitors who make extended stays to enjoy a wider range of activities, as opposed to visitors who focus on a single activity and then move on to another location.

Health and Wellness

To expand the scope of their activities, resorts can offer new products with an emphasis on health and wellness. These include spa treatments, massage therapy, personal coaching, dietary and fitness programs as well as courses, classes and seminars in yoga, tai chi and other alternative health approaches.

Eco-tourism

Eco-tourism will become an increasingly important new product for BC's resorts and resort communities. It promotes conservation, has little or no visitor impact, and involves the local population in the tourism economy. Resorts can add new opportunities for environmentally-responsible travel to relatively undisturbed wilderness areas in their area, where visitors can enjoy and appreciate the natural beauty, wildlife and cultural features.

Moving to All-Season Use

Resorts can expand the seasonal scope of their operations by adding the new products mentioned above and by expanding into other two or three seasonal activities such as swimming, golf, backcountry tours, sightseeing, guiding and nature photography. Providing visitors with many different options, above and beyond the resort's existing core seasonal activities, will help to stabilize operations, provide more jobs and increase revenue on a year-round basis.

The trend toward multi-season resort development has been evolving over the last two decades. BC's larger mountain resorts have expanded into golf, while smaller water-oriented resorts have been attempting to broaden their shoulder season businesses. An increasing number of resort operators have made the decision to stay open all year.

However there are challenges in managing an all-season enterprise. For example, hiring, training and retaining a reliable labour force can be problematic. Resorts that have switched to year-round operations find that staffing requirements at peak periods may be two or three times greater than during the low months. Maintaining a core year-round staff can help to provide continuity between low and peak seasons.

Taking Advantage of Shoulder-Season Opportunities

"Shoulder" seasons come before or after a resort's main season. For example, fall and spring are the shoulder seasons for a ski resort.

Greater shoulder-season activity can be stimulated in BC by:

- providing an easier way for resorts to obtain necessary permits;
- developing cohesive joint marketing opportunities to promote shoulder season recreation activities; and
- pursuing partnership opportunities to develop new resort functions and activities by government, the resort industry and individual operators.

Summary: Focus on Expanding Markets

The recommendations at the end of this section are designed to stimulate development and investment within emerging growth areas identified by the Task Force. Focusing on these expanding markets will allow BC resorts to:

- diversify their revenue base;
- increase the length of their active seasons;
- take advantage of new tourism products not previously offered; and
- extend their visitors' length of stay.

The 2010 Olympic and Paralympic Winter Games

It is estimated that hosting the 2010 Olympic and Paralympic Winter Games will generate an estimated \$1.3 billion for British Columbia. Revenues will come from broadcast rights, sponsorships, merchandise sales and ticket sales. The BC government is leading a province-wide strategy to ensure that all regions share in the economic benefits of hosting the Games.

Based on the experiences of Australia and other Olympic hosts, the BC Olympic Opportunities Strategy will help to spread the benefits and support sustainable development throughout British Columbia.

The strategy includes:

- showcasing BC tourism products, facilities and features;
- maximizing the use of domestic products and services before, during and after the Games;
- extending economic benefits well beyond the time frame of the Games and beyond the immediate Vancouver/Whistler area; and
- diversifying local community economies.

New Investment Partnerships

The Task Force found that there is great potential for joint investment and partnership in the development and operation of new and expanded resort ventures. The provincial government recognizes this potential.

First Nations Partnerships

Increasing First Nations' involvement and stake in the resort industry is a priority. Many aboriginal groups have a strong appetite and potential for developing specialized First Nations resorts that offer pristine locations, world-class cultural assets and a unique visitor experience. First Nations resort partnerships can tap into the increasing public awareness of Aboriginal ties to the land base, and the growth in eco-tourism.

2010 and BC Resorts

BC resorts have a unique chance to harness the momentum leading up to the Olympic Games in 2010. To realize their full potential, new and existing resort developments must prepare and plan now to ensure they take full advantage of the new business opportunities offered by the Olympics.

Industry and government partners can expand the activities, functions and visibility of British Columbia resorts in advance of the games by considering the following:

- targeted marketing in association with the Olympic organizing bodies;
- coordination of anticipatory events;
- increased emphasis on winter sporting activities in resort communities;
- strategic investment in resort developments by national and international interests; and
- special events hosted by resorts in preparation for the Olympic Games.

Federal government investment in British Columbia's resort sector could also be stimulated through Aboriginal partnerships.

BC Parks Lodge Strategy

The BC Parks Lodge Strategy is another key area of partnership growth as BC's all-season resorts move into the realm of eco-tourism. By 2010, the BC Provincial Park system wants to be globally recognized for the variety of ecologically-sensitive lodging facilities it offers in a range of park settings. These developments will be located in road-accessible areas, or be additions to existing facilities

The lodge strategy will provide direct benefits to the local economy and local residents. Revenue generated by lodge developments is dedicated to enhancing recreation opportunities and fulfilling conservation responsibilities. The impetus for sustainable development and management of this resort sub-sector is to ensure that the natural environment remains the prime attraction, rather than the lodge itself.

Industry Partnerships

The BC resort industry has much to benefit from recruiting new investors and developing new partnerships with other industries in the tourism sector. Initiatives could include facilitated joint-venture agreements that provide a “one window” approach to approvals and initial indications of project viability.

10. WORKING TOGETHER TO DEVELOP NEW OPPORTUNITIES

The British Columbia Resort Task Force recommends the following actions:

- provide tools and assistance to resort operators seeking to make the transition to an all-season resort. Training and development programs for employers, along with best practices modelled from other resort communities, may form part of this effort.
- working with the Provincial Spirit of 2010 Tourism Strategy, marketing efforts should highlight new “all-season” features of British Columbia resorts.
- build linkages with the Provincial Spirit of 2010 Tourism Strategy to maximize and lever 2010 Winter and Paralympic Games opportunities. These could include strategic and targeted marketing in anticipation of the Olympics, co-ordination of anticipatory events, increase emphasis on winter sporting activities in resort communities, and strategic investments in resort facilities by national and international interests.

RECOMMENDATION AREA 4.

MARKETING AND INVESTOR RECRUITMENT

There are dual perspectives to marketing according to the members of the BC Resort Task Force. Marketing is needed which is targeted at both the consumer and the investor. Often the investor marketing approach is not recognized and focus is placed on the marketing of the product to the consumer. In order to be competitive in the global economy, it is necessary that both perspectives be addressed.

The one window approach of an investment office would present the opportunity to market to the investor. To indicate to the world that British Columbia is open for business and welcomes investment.

As well as developing and maintaining a quality resort product, cohesive and professional marketing is essential for success. BC resorts need a well-planned marketing program, aimed at

well-defined target audiences, to successfully compete both globally and locally. This must begin with up-to-date analyses of the marketplace, industry trends, and the motivation and behaviour of resort visitors.

Destination market studies look at competing areas for data on occupancy rates, seasonality and unique geographical factors. These studies particularly aid resorts in marketing their products and services

Often, governments with an interest in tourism development assume the marketing role. If government activity is absent or minimal, resorts themselves may take on the primary role of promoting the destination, as well as each resort's special attractions. In such cases, regional marketing partnerships with local communities are important.

Tourism British Columbia

For this province, the tourism marketing role rests with Tourism British Columbia, an independent corporation funded by industry. Tourism BC's responsibilities include:

- developing and participating in programs to provide marketing;
- support for tourism businesses of all sizes, including resorts;
- focussing on core markets for BC tourism product using a mix of marketing tactics including consumer advertising and promotion, media relations, trade promotion, education and research; and

- maintaining a corporate presence in the United Kingdom, Germany, Japan, Taiwan and Australia to build trade relations and represent British Columbia's travel industry.

An underlying goal of Tourism BC is the regional distribution of tourism benefits, which are delivered through programs such as Tourism Partners and Tourism North, through trade activities such as the "Canada's West" marketplace and through the Tourism BC website.

Beyond the Current Model

However, the Task Force was told by some stakeholders that Tourism BC's efforts do not necessarily meet the level of support and dedication needed by the resort sector or the regions. The resort industry product goes beyond simply fulfilling the needs of the visitors. To be successful, it must include their dreams and exceed expectations. BC resorts are selling a unique experience and therefore their marketing efforts need to be more focused and directed.

Dedicated marketing support must incorporate resort-specific research. With today's rapidly-changing attitudes, resort marketing strategies need to anticipate changes and quickly adapt their marketing programs to reflect current trends and expectations. Guests must perceive that they are getting value for their money and time, and market research helps resorts meet that challenge.

The Task Force heard that marketing campaigns should not only focus on large operations and accommodation at Whistler, Vancouver and Victoria, but also be linked to smaller alternative resort ventures and opportunities. These include

backcountry operators such as those in the Kootenays, the Cariboo and Northern British Columbia. Additionally, cooperative marketing programs with Alberta and other provinces can provide joint resources and marketing promotions.

Current marketing opportunities that the BC resort industry can access to broaden their scope include opportunities associated with the 2010 Olympic and Paralympic Winter Games and the regional Circle Tours package being developed with the Province of Alberta.

Providing more ways for resorts to access joint marketing opportunities that promote shoulder-season activities can help stimulate and expand business in the shoulder seasons. Opportunities to develop new resort functions and activities can be proposed and showcased by government, the resort industry and individual operators. These are some of the marketing issues and suggestions brought forward by stakeholders in the Task Force consultation process.

11&12 MARKETING AND INVESTOR RECRUITMENT

The British Columbia Resort Task Force recommends two areas of action within a marketing plan:

- investor recruitment – highlight and promote the opportunities for investing in resort development within British Columbia.
- consumer marketing – direct Tourism BC to become more accountable and responsive to resorts by:
 - ensuring specific resort themes are highlighted;
 - reaching BC's international, national and resident visitor markets;
 - focusing on all-season approaches that promote shoulder season recreation activities;
 - developing regional tourism marketing packages;
 - creating ties with the Spirit of 2010 marketing opportunities;
 - working in partnership with local marketing associations and operations;
 - investing in market research to provide data for resorts; and
 - focusing on customer retention strategies.

RECOMMENDATION AREA 5.

HUMAN RESOURCE NEEDS

During Task Force consultations, resort operators in British Columbia identified a number of human resource and labour-related concerns. Operators indicated that the minimum wage is too high, which has led to all other wages being

pushed up and resort product prices being raised to cover the wage increases. Generally, industry analysts predict that staff shortages will occur in the tourism sector in the years to come.

Employee Housing

Affordable housing for existing and new employees is a major concern. One operator indicated there simply is not enough affordable housing available for staff, while another operator suggested that the resort industry be exempted from the *Employment Standards Act* and not be required to provide food and lodging for staff when resorts are located beyond normal

commuting distances from employees' homes. The lack of affordable and available housing makes it difficult to attract and retain a skilled workforce, adding to staff shortage concerns. There is a very strong relationship between wages, cost of living and affordable housing and the attraction/retention of employees.

Training

A well-trained labour force sufficient to meet future needs is vital for tourism and resort expansion. It is estimated that a doubling of provincial tourism revenues will require the creation of a minimum of 50,000 new tourism sector jobs in British Columbia. Many of these new jobs will be in resorts. The 2010 Olympic Games Labour Supply and Gaps Analysis, a recent report commissioned by the provincial government, outlines the employee training needs that must be addressed by the service and tourism

sectors in preparation for the 2010 Olympic and Paralympic Winter Games.

To help meet the need, in April of 2003, an industry/government task force announced a five-year tourism human resource development strategy. This federal/provincial initiative includes the creation of *Go2*, a human resources coordinating organization. The BC government is also establishing a tourism training consortium, in conjunction with industry, to directly address the resort sector's needs.

Certification

Resort owners and commercial recreation operators feel that legally binding standards and certification should be required for those carrying out guided operations on Crown land. To ensure that guides are adhering to the highest standards, the province could make certification a prerequisite to gaining Crown land tenure.

For example, bodies such as the Association of Canadian Mountain Guides and the Canadian Ski Guide Association could act as regulators and provide training for anyone planning to operate guided mountain climbing operations on Crown land. Adhering to nationally-accepted standards ensures that operators who market **safety** as part of their service, for example in heli-skiing and mountain climbing, know that others providing a similar service are also operating at high standards.

13. ADDRESSING HUMAN RESOURCE NEEDS

The British Columbia Resort Task Force recommends the following actions:

- Encourage the resort industry to work with private and public institutions in delivering relevant training programs to meet the projected need for thousands more trained employees (apprenticeship programs and encourage trades training).
- Certification and training of guides to be driven by the resort industry and member associations to encourage self-regulation.
- Examine possible links with Go2 and the provincial Tourism Training Consortium.
- Recognize early in the planning process that employment and staff housing costs are an operational factor that resorts must meet when conducting business in stand-alone facilities.

RECOMMENDATION AREA 6.

EVOLUTION OF RESORT COMMUNITIES

The Task Force found that a key characteristic of successful resorts is their acceptance by surrounding communities, often achieved through working with local governments or regional districts. A symbiotic relationship exists whereby resorts provide employment and bring in needed revenue to support the economy, while in return the community provides a local source of labour, customers and services.

Resort development is very complex, multidisciplinary process that involves many areas of expertise. Community participation in resort development makes the residents feel they have a stake in a positive outcome. The resort's ongoing success and its resultant benefits to the community and provincial economy depend upon mutual respect and the knowledgeable participation of all parties. These benefits can be substantial, as the example of Whistler demonstrates.

WHAT WHISTLER DOES FOR US

Whistler demonstrates the range and scope of benefits that a successful resort contributes to the economy. In the year 2000, Whistler generated:

- \$1.035 billion in estimated tourism spending, of which \$114 million was spent outside of Whistler;
- \$529 million in estimated salaries and wages; and
- about \$376.4 million in total government revenues.

Direct and indirect government revenues generated by tourism spending in Whistler were \$167.9 million for the federal government, \$175.6 million for the BC government and \$32.9 for municipal government.

Visitors to Whistler supported the equivalent of 21,470 full-year jobs, of which 14,200 were in Whistler, with the remainder in the rest of British Columbia.

Hotel revenue at Whistler increased 168% between 1993 and 1999 while room revenue for the province grew 67% over the same period.

Good Community Relations Are Good Business

Good community/resort relations are imperative for growth. They need to be initiated at the beginning of the resort project development, then nurtured and sustained throughout the resort's operation. Involving the community in the resort planning and development process is desirable to solicit local input in the early stages and to allay fears or apprehensions about the impact of the development.

Community relations may include:

- meaningful resort and community interactions;
- philanthropic programs;
- educational and cultural interchanges; and
- local residents' attitudes towards the resort and its guests.

The latter is important to ensuring a favourable impression on the resort visitor, as the perceived friendliness of resident's rates highly in the visitor's mind. Conversely, lack of community acceptance for a resort can result in:

- lower employee morale;
- reduced productivity and poor service; and
- the formation of political pressure groups which can impact on the resort's reputation and profitability.

One advantage of resorts is their reliance upon local procurement, which leads to secondary job creation in local communities and greater acceptance of the resort venture.

Harmonization with Local Governments

Throughout the process of developing a resort, many inter-related activities take place that require simultaneous review and constant adjustment with increasing levels of refinement. The relatively rapid growth of a resort can lead to overlapping authorities or the poor coordination of approvals processes, including those that involve local government.

Rarely does a local government possess the expertise required to understand the complexity of the resort development process and the

developer's timelines, financial risks, responsibilities and liabilities. Likewise the developer lacks the understanding of the processes and issues faced by the local government. This lack of understanding can cause the developer unnecessary delays in construction or other activities, and affect the economic viability of the resort.

Resolving this and other issues will require greater harmonization between developers and local and regional governments.

Transition from Crown land to local government authority

Initially, major resort developments occur on Crown land and follow provincial policies, such as the Commercial Alpine Ski Policy, which have their own legislated authority for land use planning. However, as resorts evolve, Crown land may become private land. This causes a shift in authority from the provincial government to the local government, which is sometimes accompanied by issues related to services and governance.

In providing services to their communities, local governments often work with large developments on private land to ensure standards are met and that developer-provided services are integrated into the larger community systems. However, resorts on Crown land rarely interact with local governments on servicing issues. As a result,

Inter-Community Issues

As resort communities expand, boundary issues with bordering communities often emerge, including impacts on local services. Many resort communities are advocating the establishment of

Security an Issue

Adequate personal security and policing for resort communities was another issue raised in Task Force consultations. For example, additional security services are required for special events, long weekends, festivals or special races and the resulting influx of visitors.

there is weak integration with local government services and standards.

As the resort grows it begins to evolve into its own community with permanent residents who demand higher levels and quality of services. Generally, the local government is expected to provide these services. As the resort community continues to mature, developers and operators tend to extricate themselves from servicing the community to concentrate solely on the business of running the resort.

At this point there is another shifting of authority, this time from the developer to the local government, regional district or improvement district, each having their own level of responsibility and accountability.

common regional standards, best practices, and integrated land use planning. This could help ensure harmonization of land uses such as recreation, tourism, mining and forestry.

There are a number of attendant issues and service needs that resort communities must address in their development, including:

- certification;
- adequate supply centres ;
- medical services;
- housing for service staff and other non-guest personnel;
- expanding transit and transportation capacity; and
- providing sufficient business support services.

The Sequencing Project

To ensure that ski resort development in British Columbia is not inhibited by factors such as those discussed above, the BC Resort Task Force and Ministry of Community, Aboriginal and Women's Services have established the Sequencing Project.

The goal is to ensure the most efficient transition possible through all phases of the resort development process, from proposal stage to planning and constructing a fully-functioning ski resort community. The immediate task is to review current practices and provide practical recommendations which would help government

reduce conflicts and fill gaps in existing policy, legislation and processes. While the initial focus is on the approval and operation of mountain resorts, it is anticipated that project results may be applied to BC resort development in general.

The sequencing project will base its assessments and recommendations on a comprehensive review of the situation faced by a wide sample of existing and proposed mountain resorts in British Columbia, as well as in the five jurisdictions that most often compete with British Columbia for market share.

The Best Practices Guide Project

The Best Practices Guide will focus on providing information and tools that will enhance the relationship between the resort developer(s) and the resort community as a framework to creatively define what they want to be and provide policy and design tools to effectively, efficiently and sustainably accomplish their goals.

The sharing of knowledge through this Guide should build upon the world-class reputation of BC's resorts and resort communities in an effort to lead an industry-wide movement toward innovative, cutting edge approaches to sustainable tourism development and service

provision. Industry leaders acknowledge that by encouraging the success and sustainability of all resorts in BC, the entire industry will enjoy a collective competitive advantage, and will be well positioned to increase out-of-province visitation rates.

It should help avoid potentially costly mistakes by highlighting successful examples. While it does not seek to define a rigid, 'cookie-cutter' approach to resort development, it should include a tangible, "how to" component within the final product.

14. HELPING RESORT COMMUNITIES DEVELOP

The BC Resorts Task Force recommends the following actions:

- develop best practices guidelines for local and regional governments and resort developers. The guide should address the needs of new developments, as well as expansions, and transitions from stand-alone resorts to all-season resort areas.
- continue the Sequencing Project's examination of how to minimize constraints on resort development by seeking efficiencies in planning, servicing and governance.
- conduct a thorough review of local and regional government legislation and policy that affects resort application and development. Make appropriate recommendations on harmonization and coordination. Include a review of the *Mountain Resort Associations Act*, increasing its scope to include all resorts.
- bring municipalities/local government, resort industry and DMO's together in a forum setting for information dissemination and collaborative action.

resort enhancement

CONCLUSION

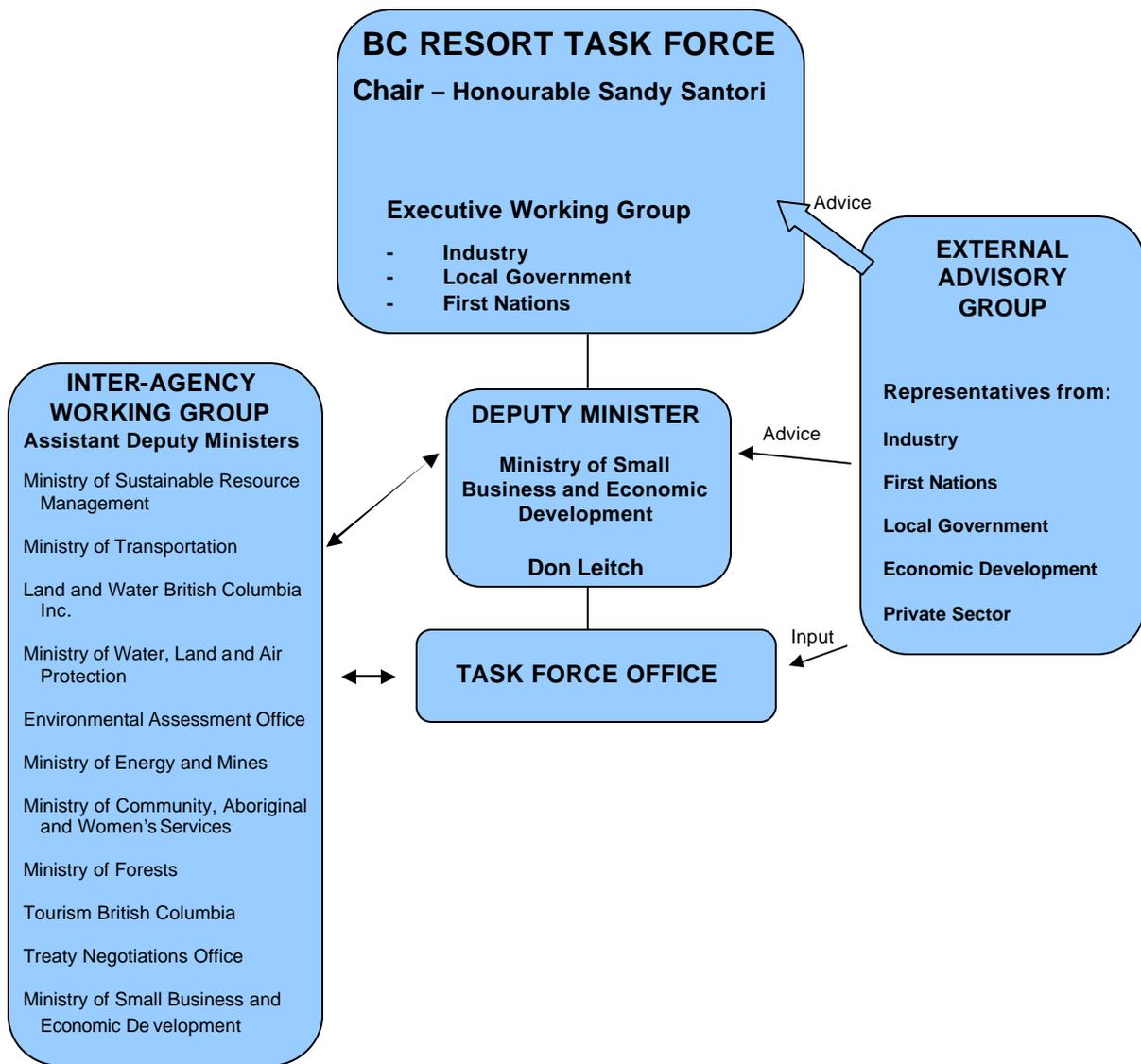
The recommendations in this report address issues raised by stakeholders during the consultation process, helping to identify practical approaches and beneficial options for resort development and operations in British Columbia.

As frequently emphasized during stakeholder consultations, resort development does not take place in isolation. Responsibilities for success rest with government, communities and industry. To achieve our shared goals, it will be essential for the Task Force to continue its work in cooperation with the tourism sector, resort

operators, First Nations, provincial government agencies, investors, communities and other groups with an interest in the success and growth of British Columbia's resorts.

As a next step, the Task Force proposes to lead the development of a Resort Strategy for British Columbia, which is needed to implement the recommendations in this report.

Appendix A BC Resort Task Force Operating Structure



Appendix B

Listing of Groups, Organizations and Stakeholders Consulted in Provincial Fact Finding Tour

REGION	DATE	RESORTS / STAKEHOLDERS
Okanagan	August 11-12, 2003	1. City of Penticton 2. Penticton Chamber of Commerce 3. Ramada Inns and Suites 4. Apex Mountain Resort 5. Mountain Landco 6. Osoyoos Indian Band Economic Development Corporation 7. Nk'Mip Desert Interpretive Centre
Northern	September 8, 2003	8. Rocky Mountain Holdings 9. Hudson Bay Lodge 10. Town of Smithers 11. Village of Telkwa 12. Seven Sisters Ventures 13. Office of the Wetsuwet'en Chiefs 14. Ski Smithers 15. Babine River Foundation (Tatlatui Park Lodge, Babine Norlakes Lodge) 16. Ookpik Wilderness Lodge 17. Bear Mountaineering and Burnie Glacier Chalet
Vancouver Island/Coast	September 10, 2003	18. Oak Bay Marine Group
	September 11, 2003	19. Phiedias Project Management Corporation
Northern Rockies	September 12, 2003	20. Sunrise International Inc. 21. Terracana River Ranch Resort 22. Maligne Tours Ltd. 23. Village of Valemount 24. BC Snowmobile Association 25. Holiday Inn
Kootenay	September 14-16, 2003	26. St. Eugene Mission Resort 27. St. Mary's Band 28. Fernie Mountain Resort 29. Kimberley Mountain Resort 30. Village of Fernie 31. Island Lake Resort Group 32. Canadian Mountain Holidays 33. City of Kimberley 34. Fairmont Hot Springs Resort

REGION	DATE	RESORTS / STAKEHOLDERS
		35. Kinbasket Development Corporation / Shuswap Indian Band
		36. Panorama Resort
		37. District of Invermere
		38. Village of Radium Hot Springs
		39. Canadian Rockies Hot Springs
		40. Chatton Holdings
		41. Radium Hotsprings Lodge
		42. Radium Resort
		43. Top of the World Guest Ranch
		44. Wild Rose Guest Ranch
Vancouver Island/Coast	September 19, 2003	45. Genoa Bay Marina
		46. Maple Bay Marina
		47. Cowichan Bay
	September 24, 2003	48. Resort Community Collaborative
	September 30, 2003	49. Whistler Blackcomb
		50. Canada West Ski Areas Association
		51. Sun Peaks Resort
	October 9-10, 2003	52. Comox Valley Economic Development Society
		53. Kingfisher Oceanside Resort & Spa
		54. Mount Washington Alpine Resort
		55. Town of Comox
		56. Comox Fisherman's Wharf
		57. Comox Valley Regional Airport
		58. Crown Isle Resort and Golf Community
		59. Comox First Nations
		60. Village of Cumberland
		61. Union Bay Kensington Island Properties
Okanagan	October 13, 2003	62. Big White Ski Resort
		63. Crystal Mountain Resort
		64. NGR Resort Consultants Ltd.
	February 19, 2004	65. Schumann Resorts (Big White & Silver Star Ski Resorts)
	March 11, 2004	66. Oliver and District Community Economic Development Society
Vancouver Island/Coast	February 12-13, 2004	67. Nimmo Bay Resort
		68. Kwakwaka'wakw First Nation
	March 4, 2004	69. Mount Baldy
		70. Brentwood Bay Marine Resort
		71. Cowichan Valley Regional District
Kootenay	March 2004	72. Red Mountain Ski Resort
	April 6, 2004	73. Fernie Lodging Company
	April 16, 2004	74. Fernie Chamber of Commerce
		75. Association of Kootenay Boundary Municipalities
		76. Mica Heli-Ski Guides
	April 27, 2004	77. Revelstoke Chamber of Commerce

Appendix C

Land based Destination Resort Development in British Columbia – Development Process Diagram

Appendix D

Process Harmonization Comparison

Step	EAO Applicant Guidelines	Step	LWBC Applicant Guidelines (overarching time period not designated)
1	PRE - APPLICATION STAGE (No prescribed timelines)		
	Project Description	1&2	1. Expression of Interest
	<p>Most cases Project Description represents the first formal document provided to the EAO. Determines if project is (1) 'reviewable' and (2) meets EA review thresholds for that category. Project Description is required regardless of whether or not the requirement for an environmental assessment is waived. EAO distributes description to stakeholders & posts on EPIC.</p> <p>Project Description (not a major document – usually 1-10 pps) Applicant must include following details:</p> <ul style="list-style-type: none"> • <i>Proponent</i> (name; contact information; name of project management rep.; company incorporation, structure & stock exchange listing) • <i>Background</i> (type & size of project, referencing environmental thresholds; project purpose & rationale; location – latitude & longitude; map and conceptual site plan) • <i>Overview</i> (major on-site/off-site components; duration; general potential environmental, economic, heritage, social & health effects) • <i>Land Use Setting</i> (whether private/crown land; existing land use in vicinity of project site) • <i>Consultation Activities</i> (summary of activities carried out with First Nations, public & local gov't) • <i>Proposed Development Schedule</i> (tentative schedule for submitting environmental assessment & development) • <i>Required Permits</i> (listing, if known). <p>Timing: EAO tries to hold first meeting with interagency and/or stakeholders and hold a site visit, if necessary, to discuss the proposed project. (No prescribed timeline for informing proponent of decision; however, EAO tries to do this as soon as possible.</p> <p>Outcome: Decision made whether project qualifies as "reviewable" and an environmental assessment is warranted or the project will not have significant environmental, economic, social, heritage or health effects and EAO will issue an order to the proponent indicating project may proceed without an</p>	<p>(1) Applicant submits to LWBC for development of ski area on Crown Land.</p> <p>Applicant must include following information:</p> <ul style="list-style-type: none"> • Applicants intent • Outline of project goals & objectives • Study area map (1:20,000 with 20m contour interval) • Preliminary environmental analysis • Preliminary site inventory & analysis • Identification of opportunities & constraints • Preliminary concept describing basic size & scope of envisioned ski area • Preliminary market analysis • Preliminary economic analysis • Provide evidence of applicant's financial capability to create proposed development • Provide evidence of applicant's management capability to carry out proposed development <p>Timing: 30 days for review of Expression of Intent (EOI) by LWBC and line agencies.</p> <p>Outcome If positive review (go to step 2) if not, project is rejected..</p> <p>(2) If positive review, LWBC may advertise for other parties to submit EOI. Timing: 30-60 day window for other parties to submit EOI.</p> <p><i>LWBC may solicit comment from the public on the content of EOI submissions and Ministry can require the proponent to hold public meetings and /or request public comment. (Is this done within the 30-60 day window noted above or after it's closed? If the latter then what is the time period for public comment). Once public time period is closed what is the time frame in which LWBC makes decision regarding which EOI's proceed to next stage?</i></p> <p>Outcome: Determine successful EOIs to proceed to next step which is a formal proposal.</p>	

Step	EAO Applicant Guidelines	Step	LWBC Applicant Guidelines (overarching time period not designated)
	environmental assessment under the Act.		<p>Project Proposal Applicant(s) provides more detail from EOI to generate a ski area development concept. Formal proposal to develop/expand evaluated according to site specific merits & should include:</p> <ul style="list-style-type: none"> • Vision, concept, project description for ski area including development goals & objectives • Technical inventory & analysis of proposed mountain & base area using topographic mapping (1:5,000 – 1:1,000) • Environmental audit (inventory) of proposed development area • Development concepts for mountain with determination of 'comfortable carrying capacity' (CCC) of ski area in terms of skiers per day • Development concepts for base area lands balanced to CCC in conjunction with site specific attributes • Determination of type of development (community, urban, regional, regional/destination, destination) and if overnight accommodation is incorporated • If warranted (based on ski area type), perceived attributes & CCC, # & type of accommodation – bed units • Phased development & implementation plans • Infrastructure concepts • Discussion of environmental issues/hazards & remedial measures • Discussion of economic & social impact, land use issues, proposed resolution conflicts • Servicing & economic feasibility, including detailed proforma, cash flow projections, dev't cost estimates, formal market study • Summary of ownership & management structure • Discussion of social & economic impact • Evidence of financial capability of applicant to undertake master planning process • Evidence of resort development & management experience <p>LWBC Regional Director coordinates provincial interagency & local gov't review of formal proposal.</p> <p>Timelines: No prescribed timelines.</p> <p>Outcome: A proponent is chosen to sign an interim agreement, making a commitment to prepare a ski area master plan.</p>
2	Determining the Review Path		
	Determine whether EAO manages review process or whether it is referred to the Minister to determine assessment process (i.e. commission, panel or other party). Timing: No prescribed time lines.		
3	Determining How Assessment to be Conducted		
	EAO is responsible for determining how assessment to be conducted, including the scope of the assessment and the procedures and methods to be used. Proponent works with EAO and other agencies to help determine & scope out issues to be addressed in the Terms of Reference EAO issues a procedural order (Section 11 Order) that sets out the process for conducting the assessment. Level of detail in the procedural order will vary depending on project. Procedural order addresses the following issues: <ul style="list-style-type: none"> • Project scope (facilities & activities that comprise the reviewable project: i.e. on-site and off-site facilities & activities associated with their operations, development phases) • Procedures & methods used in conducting the assessment 		

Step	EAO Applicant Guidelines	Step	LWBC Applicant Guidelines (overarching time period not designated)
	<ul style="list-style-type: none"> • Potential effects to be considered in assessment • Information required from proponent (normally will require the proponent to develop TOR for the application) • Information from sources other than the proponent • First Nation consultation requirements • Public consultation requirements (order may identify persons or organizations to be consulted) (i.e. a formal comment period of between 30-75 days during the course of an assessment – usually held in step 6 which is the review of the application) • Time limits for activities in the assessment not otherwise covered by legislated time limits (time limits may be set to provide greater certainty for review parties with respect to review duration i.e. length of public comment periods and time within which proponent may respond to comments submitted on the application). <p>Timing: No prescribed time limit for preparing Section 11 Procedural Order.</p> <p>Outcome: A procedural order which is legally binding and provides certainty about how the assessment will proceed.</p>		
4	Application Terms of Reference (TOR)	3	Interim Agreement
	<p>Proponent develops Draft terms of Reference with help from the EAO.</p> <p>Developed with input and participation of working groups set up for the review process, First Nations, and public.</p> <p>EAO (1) coordinates review of draft terms of reference (may include public comment period), but proponent is responsible for revising terms of reference as required; and (2) approves final terms of reference.</p> <p>TOR includes following sections (which vary application to application depending on issues identified per project):</p> <ul style="list-style-type: none"> • <i>Executive Summary</i> (key project facts, key impact issues, proposed mitigation strategies, consultation measures taken and results) • <i>Introduction</i> (proponent information, application background, orders and agreements applying to the review, project overview – rationale & key components, regulatory framework – summary of prov. & fed. Legislation pertaining to project, license/permit approval levels) • <i>Information Distribution and Consultation</i> (overview of public, First Nations and government consultation - listing significant events and measures, consultative initiatives undertaken – distributing information, recording responses and issues, future consultation programs – outline further activities following application submission and EA review period) • <i>Project Description</i> (background and rationale, history, objectives, location, maps, results of studies demonstrating site selections, alternative locations discussion, facilities and design of on/off site, project activities, capital costs, labour force, alternative means of carrying out the project) • <i>Project Scope and Area</i> (define area, identify constraints – resources/ energy sources/physical barriers/travel, spatial and temporal boundaries) • <i>Project Settings & Characteristics</i> (geophysical/atmospheric/aquatic environments, socio-economic / socio-community conditions, First Nations -regional and study area overview and traditional use) • <i>Assessment of project impacts, mitigation requirements and residual effects</i> (methodology, 		<p>If a proposal is approved in principle, LWBC initiates Interim Agreement with proponent “making a commitment for the proponent to prepare a ski area master plan on the basis of the approved formal proposal and to proceed to obtain all necessary approvals from other regulatory agencies.”</p> <p>Interim agreement summarizes: issues identified during concept (proposal) review that proponent must address; the interagency reviews; and public meetings.</p> <p>Timelines: No prescribed timelines.</p> <p>Outcome: Identification of issues and reviews to be addressed by proponent in the development of the Master Plan . (Is this correct??)</p> <p>NOTE: LWBC notes that the detailed proposal and interim agreement will usually serve as the formal application for an environmental assessment, project approval certificate, and the EA process is such an exercise proves to be necessary.</p>

Step	EAO Applicant Guidelines	Step	LWBC Applicant Guidelines (overarching time period not designated)
	<p>project assessment – construction phases, operations, accidents and malfunctions, environmental effects – climate, extreme events, cumulative effects, mitigation measures)</p> <ul style="list-style-type: none"> • <i>Environmental Management Program</i> (habitat migration & compensation plan, construction plans, operation plans) <p>Timing: (a) EAO sets time limit for agency comments on draft terms of reference. (b) No prescribed time limit for development and approval of TOR.</p> <p>Outcome: TOR with detailed information and consultation requirements that proponent must satisfy in its application.</p>		
	Proponent now proceeds to conduct studies in accordance with terms of reference and prepare the application. Studies and preparation of application can take months or years to complete.		Proponent now proceeds with the preparation of the Master Plan which should be a detailed refinement of the Concept Plans submitted as part of the Formal Proposal. Timing: No prescribed timelines.
APPLICATION REVIEW STAGE			
5	Preparing and Submitting Application	4	Receive Master Plan for Review and Comments
	<p>Proponent submits application as per the approved terms of reference. EAO reviews to determine if application contains required information and assesses the proponent's public consultation program.</p> <p>Timing: EAO has 30 days to determine if the application is acceptable.</p> <p>Note: If EAO identifies deficiencies in the application, the proponent must address them and then resubmit the revised application. There are no prescribed timelines for how long the proponent has to address the deficiencies.</p> <p>Outcome: Once the EAO has accepted the application for review, the proponent will be notified and requested to supply additional copies. The application then proceeds to the Review Stage.</p>		<p>Detailed refinement of the concept plans submitted under Formal Proposal. Any issues identified during the concept review, interagency review & public meetings must be rectified within the Master Plan. Master Plan should be divided into sections:</p> <ul style="list-style-type: none"> • Development description & area location map • Site inventory & analysis • Development potential & Capacity Analysis • Ski Area Preferred Concept • Ski area master plan (service space allocations, building footprints, grading plans, operations plan) • Implementation, economic feasibility and financial capability <p>Proponent submits Master Plan to LWBC for review. Ministry coordinates a provincial interagency and local government review of the submission.</p> <p>Proponent refines master plan and resubmits.</p>
6 & 7	Reviewing the Application and Preparation of Assessment Report	4	Receive Master Plan and Distribute for Interagency and EA Review
	<p><u>Review of application</u> begins on date EAO receives the required additional copies from the proponent. If no additional copies are required, review of application begins on date that EAO notifies the proponent of the acceptance of the application for review.</p> <p>EAO conducts review in accordance with Procedural Order. Application review normally includes:</p> <ul style="list-style-type: none"> • Review by govt agencies, First Nations and the public • First Nation and public consultation • A formal public comment period (30-75 days, scheduled within the 180 day review period) • Opportunities for the proponent to respond to issues raised. <p><u>Project Assessment Report</u> - EAO prepares to go forward to Minister for approval of an environmental assessment certificate. Report made available to the public & stakeholders on EPIC.</p> <ul style="list-style-type: none"> • <i>Executive Summary</i> (summary of project description; results of public & First Nation consultation; key 		<p>LWBC sends refined master plan for inter –agency review and EA.</p> <p>Receive for Review and Approval by All Applicable Approving Bodies Sent to all approving bodies. Can be further requests for refinements & may need to go to EA process.</p> <p>Outcome: Master Plan is accepted for approval and proceeds to Master Development Agreement. Master Plan is deemed to fall into EA process. Plan is rejected.</p>

Step	EAO Applicant Guidelines	Step	LWBC Applicant Guidelines (overarching time period not designated)
	<p>review issues & resolutions & conclusions)</p> <ul style="list-style-type: none"> • <i>General Review Background</i> (Certification Process – if CEAA is triggered; Project Description & Scope of Review; Information distribution & consultation; Required Statutory Approvals) • <i>Review of Application</i> (Consideration of potential effects – public health, socio-economic, community, archaeology, heritage, First Nations, cumulative; Overview of significant effects; Air Quality, Public Health Impacts; Compliance, Environmental Supervision & Monitoring) • <i>Review Conclusions</i> (conclusions & resolutions reached during the review - would result in conditions EAO suggests be added as conditions before/during construction/operation & abandonment) • <i>Appendices</i> (structured according to size & effects of project, includes key project review documentation, issue tracking summaries, other statutory approvals required before project can proceed) <p>Timing: 180 days (Note: 180 day period may be suspended:</p> <ul style="list-style-type: none"> • if review is delayed at the request of the proponent e.g. needs more time to respond to issues that is provided in the procedural order), • because of actions taken or not taken by proponent (e.g. proponent has not completed required consultations), or • proponent is required to provide additional information. <p>Maximum time the review of an application may be suspended is 3 years from the date of suspension, unless a different suspension period is provided for in the procedural order. If the review of application is suspended on more than one occasion, the total time of all suspensions may not exceed 3 years, unless a different suspension period is provided for in the procedural order.</p> <p>Outcome: Assessment report which documents finding of the environmental assessment, including issues raised in relation to the project and how these have been or could be addressed. EAO may also prepare recommendations to the ministers and reasons for the recommendations.</p> <p>Assessment report and application are referred to three ministers: (1) Sustainable Resource Management; (2) Water, Land and Air Protection; and (3) Minister designated as responsible for that category of reviewable project.</p>		

8	Environment Assessment Certificate		Master Plan Development Agreement
	<p>Ministers (3) decide whether to issue certificate or require further assessment within 45 days of the submittal of the Assessment Report. Certificate usually contains project-specific conditions the proponent must adhere to in proceeding with the project.</p> <p>Timing: 45 days</p> <p>Outcome: An environment assessment certificate which contains project-specific conditions that proponent must adhere to in proceeding with the projects. Certificate must specify a deadline between 3 & 5 years after the date the certificate is issued, by which the project must be substantially started.</p> <p>The EAO delivers to the proponent, notifies government agencies and First Nations and makes the decision and certificate available through the Project Information Centre website.</p>	5	<p>Once Master Plan approved, applicant must make final requested refinements and submit plans as basis for agreement and all development permits.</p>
	Post-Certification		Post Master Development Agreement
	<p>Issues at this stage may include regulatory permitting procedures handled by other agencies / ministries.</p> <p>Timing: Each agency will have its own processes and timelines for permitting, etc.</p> <p>Outcome: Permit to proceed with specific activity.</p>		<p>Proponent must apply for permits by all applicable approving bodies (various provincial / federal permits all with their own processes and timelines.).</p> <p>Outcome: (1) Proponent receives all permits and proceeds to apply for an Operating Agreement, and tenures can be issued. (2) Project can be rejected.</p>

Appendix D

Process Harmonization Comparison Chart

Appendix E

Statistics on air transportation and impact on alpine skiing

(from *Air Transportation Capacity and the Direct Impact on the Economic Success of Alpine Skiing in Western Canada* by Ecosign Mountain Resort Planners Ltd. 2003)

- Between 1992 and 2002 growth in skier visitation at interior resorts ranged from 4%/annum up to 16%/annum and averaged 8.3% compound growth over the entire period.
- Whistler/Blackcomb receives approximately 60% of its total visitation through the airline industry.
- Sun Peaks Resort receives approximately 20% of its skier visits from guests utilizing air transportation to the Kamloops Airport.
- Big White Ski Resort receives approximately 40% of their skier visits while Silver Star Resort receives about 27% of their visitation from passengers traveling on several air carriers which utilize the Kelowna Airport
- Fernie and Kimberley Alpine Resorts rely on air service to the Cranbrook airport to bring their regional and destination guests.

Of British Columbia's 2001/02 season's 6.25 million visits, it is estimated that an average of 30%, or 1.86 million skiers visits, or approximately 310,000 guests arrived by air. These air-base visitors stayed on average of 5.5 nights at Whistler and between 5.5-6.5 nights at Sun Peaks and Big White/Silver Star.

Appendix F

What is a Resort? The Concept

What is a resort? The word “resort” means different things to different individuals as is reflected in the wide and diverse use of the word. For example, a hotel on a beach or associated with a golf course could be considered a resort, as could an entire community such as Whistler or Tofino. Because of the diversity and ambiguity of the term “resorts” there is no one clear or accepted definition. While this may foster intellectual academic discussion, it creates problems in the policy and legislative arena where practical working definitions are a necessity. Practitioners in the field have attempted to deal with this ambiguity, either by creating definitions specific to the task at hand such a policy or legislation, or in a more generalized fashion where characteristics /elements pertinent to resorts are identified, creating a “resort concept”.

Resort Concept:

The term “resort” is often used to describe:

- A large range of facilities which may include campgrounds, fly-in fishing lodges, guest ranches or housekeeping cabins or larger-scale full service, four-season, multi-facility destination resorts offering a wide range of accommodation, food and beverage services, recreation and entertainment.
- A broad range of resort types that may include: casino resorts, fishing resorts, health resorts, housekeeping resorts, hunting lodge / resorts, marine or marina resorts, recreational vehicle resorts, ski resorts and spa resorts.
- A feature or an activity such as all season / four season resorts, alpine resorts, condominium resorts, destination resorts, summer and/or winter resorts, timeshare resorts.

A resort may be simply defined as an accommodation facility that is associated with a variety of activity options (for example, skiing, golfing, boating, fishing, nature-based or interpretive tours, biking, swimming, horseback riding, hiking). The growth of such accommodation facilities and activities in a specific area may lead to a more complex development of a resort destination area or resort community. To incorporate all these aspects, the federal government, in their study of resorts in the 1990s, used the following definition.

“The term resort is generally used to describe either full-service, multi-facility operations or a destination area which includes a wide range of accommodation facilities such as hotels, lodges, guest ranches, housekeeping cabins, cottages, spas and condominium rental units. Resorts usually offer extensive services to travellers and are generally viewed as destinations on their own.”

Canada Select which represents Canada's tourist accommodation grading program describes resorts as:

- Four plus rooms/units in main building under one roof
- All rooms with private 3-piece bath
- Minimum of one full service dining room
- Recreation facilities on premises, and
- Destination property

Depending on the purpose of the study, other more refining criteria such as location in a non-urban setting or experience directly related to the natural environment may be incorporated into the resort definition.

In recent years, the distinction between resorts and other hospitality accommodation has become blurred with much overlap. Instead, what has emerged is the "resort concept" that focuses on the creation of an environment that promotes and enhances a feeling of well-being and enjoyment which is operationalized through the provision of quality accommodations, food and beverages, entertainment, recreational facilities, health amenities, pleasant and restful (or exciting) surroundings, and an extremely high standard of service delivered in a friendly and personalized manner. The resort experience can encompass a range of experiences and property types.

According to *the Resort Development Handbook*, published by the Urban Land Institute, resorts must reflect three primary characteristics:

- They are real estate developments that have been developed and planned and are currently operated by a private business enterprise;
- They offer proximity and easy access to significant natural, scenic, recreational and/or cultural amenities that make them attractive places to visit; and
- They include lodging accommodations, timeshare ownerships, and/or residences used largely by tourists, vacationers, weekend travellers, seasonal residents and/or owners or users of second homes.

Resort Community Definition:

A major distinction in any study dealing with "resorts" is the clarification of what constitutes a resort versus a resort community. Most formal definitions deal with the latter because resort communities, by their very nature and scale, play an important role in the tourism sector, and generate economic benefits for the whole province or state. These communities are unique and often require special revenue generating options or legislation to address their interests. As a result, formal definitions are necessary to establish what constitutes a resort community.

In British Columbia, the only legislation definition of “resorts” pertains to destination mountain resort communities. Under *the Mountain Resort Associations Act*, the Minister by order may establish an area of British Columbia within a municipality or a regional district as a mountain resort area as long as the Minister is satisfied the following criteria is met:

- a. The area offers year-round recreation facilities including overnight accommodation and ski lift operations;
- b. The ski operator in the area has entered into a development agreement with the government with respect to recreational, residential and commercial facilities; and
- c. The municipality or in its absence, the board of the regional district, has approved the establishment of the mountain resort area.

Other North American jurisdictions have used metrics to formally define a resort community. For example:

- **Wisconsin** – a municipality or other political subdivision can enact an ordinance or resolution declaring itself to be a “premier resort area” if at least 40% of the equalized assessed value of the taxable property within the municipality or county is used by tourism-related retailers.
- **Utah** – a city or town is considered a resort community if its transient room capacity is greater than or equal to 66% of the permanent Census population.
- **Montana** – a municipality is considered a resort community if it is incorporated, has a population of less than 5,500, derives the primary portion of its economic well-being related to current employment from businesses catering to the recreational and personal needs of persons travelling to or through the municipality for purposes not related to their income production and has been designated by the department of commerce as a resort community. Montana also has “resort areas” which are unincorporated areas in a contiguous geographic area that have a population of less than 2,500 and derive the major portion of their economic wealth from businesses catering to the recreational and personal needs of persons travelling to or through the area for purposes not related to their income production.

In summary, Grant Thornton proposed that a resort community is an area – either incorporated or unincorporated – that has developed around tourism accommodation facilities and recreational activities and has an economy that is heavily dependent on tourism spending.

Appendix G

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