



ANNUAL GENERAL MEETING | CHAIR'S REPORT

December 15, 2023

Good morning everyone and welcome to the 21st Annual General Meeting of the Surrey Tourism & Convention Association, doing business as Discover Surrey.

Discover Surrey acknowledges the traditional territories of the Semiahmoo, Katzie, Kwikwetlem (*kwee-kwet-lum*), Kwantlen, Qayqayt (*key-kite*) and Tsawwassen First Nations on which we live, work and thrive.

Discover Surrey, with the support of the City of Surrey (CoS) and the Surrey Hotel & Motel Association (SHMA) were able to qualify for the 3% Municipal Regional District Tax (MRDT) program in the fall of 2019, with a June 2020 start. The funding is based on collecting the 3% MRDT from hotels and motels, and Online Accommodation Platforms (OAP) from short term rental AirBnB stays in Surrey. In the fall of 2022, OAP was changed to include collections from other short term rental (STR) channels including VRBO.

With a stronger-than-anticipated recovery from sports events and meetings in 2021, our initial forecast for 2022 MRDT & OAP was \$1.5 million in gross revenues. However, with Discover Surrey's pivot to attract domestic and drive leisure travel from within British Columbia, Alberta and Washington, and its ability to leverage the strong domestic travel from within Canada to BC for longer trips, tourism recovered to 2019 levels in Surrey for occupancy and surpassed 2019 for average daily rates (ADR). Surrey's tourism recovered to just \$2,2,292,447.21 in gross MRDT revenues, based on \$743,081,573.67 in total accommodation revenues from hotels, motels and STRs in Surrey.

International flights have continued to lag behind pre-pandemic levels, particularly from Asia Pacific to British Columbia (BC). China's ongoing strict travel restrictions and current political issues have impacted the recovery of the Travel Trade Sector to BC, which is now anticipated to be in 2025. It is expected that the Chinese market may never recover to pre-pandemic levels, and alternative international markets, including Mexico and India, will need to be researched to make up for the loss of China.

Vancouver International Airport is still lagging behind in recovery compared to other international airports in Canada and Western North America. Domestic flights have faced challenges due to staffing issues with air crews, pilots and baggage handlers.

In Surrey, COVID-19 recovery started slowly in the fall of 2020 and has continued to rebound steadily, with stronger than anticipated occupancy and average daily rates (ADR) from June

2021 onwards. As of December 2022, Surrey had a year-to-date occupancy rate of 70.9% versus 53.3% in 2021. ADR in 2022 was \$176.02, compared to 2021's ADR of \$128.87, and 2019's 73% occupancy rate and ADR of \$150.64, as verified by Smith Travel Report.

Discover Surrey continues to develop and leverage the Spice Trail, which was launched in July of 2021 with 30 partners. Currently, at 65 partners, the program is designed to attract both locals and visitors to Surrey to support Surrey's "family-owned and operated" global dining experiences.

We are pleased to advise that our media hosting program led to strong story development for Surrey in 2022, in particular for the Spice Trail and BC Bird Trail, with over 20 stories generated, including a Canadian travel show, Seeing Canada, and articles in Northwest Travel & Life, Destination Canada, Globe & Mail, the Vancouver Sun, the Air Canada Enroute Cookbook, and more. The program continues to generate great awareness for our tourism partners and tourism experiences, and Surrey, with Destination BC's media and content teams.

Discover Surrey continues to explore new and leverage regional partnerships to drive more visitors to Surrey. Partnerships we continue to work with are the BC Bird Trail, BC Ale Trail, West Coast Food and West Coast Curated. These marketing co-operatives have helped garner new imagery and b-roll for our marketing use and enable us to leverage our provincial and city destination marketing organization partnerships.

In 2022, tournaments returned to Surrey with provincial, national and North American events, and Sport Surrey continued to work towards attracting sporting events for 2022 and beyond. Discover Surrey, the Surrey Hotel & Motel Association and the City of Surrey comprise "Team Surrey" to move forward Sport Tourism and secure events during the off-and-shoulder seasons to help raise occupancy during periods of need. However, many tournaments take place during peak season and we acknowledge that as a result, these hotel rooms may not be actualized in Surrey but in our neighbouring communities.

Discover Surrey worked with the SHMA and our tourism experience partners to promote and develop group experiences and net rates to market Surrey as a place to visit and stay for the travel trade sector. Discover Surrey created a Travel Trade Group information kit with activities and net rates.

In 2022, Discover Surrey completed a Tourism Experiences Strategic Plan to guide the development of tourism experiences in our City and focus efforts on expanding and attracting new multi-year festivals and cultural events to Surrey that will generate overnight stays.

As we all learned in many ways through this pandemic more than ever, tourism marketing is also evolving. Destination Marketing Organizations like Discover Surrey must continue to remain abreast of technology changes and leverage regional, provincial, and national tourism partner programs to increase awareness of their destinations.

Discover Surrey is committed to promoting all that Surrey has to offer and leveraging all available and future opportunities with regional, provincial, and national tourism partners to extend the awareness of Surrey as a tourism destination.

The Discover Surrey Board of Directors is comprised of representatives from various sectors of tourism who volunteer their time to promote Surrey as a tourism destination. I would like to sincerely thank the members of the board for their outstanding support, commitment and contribution to the organization and the tourism industry. In particular, I would like to acknowledge Parm Kooner's many years of service on our board, as he is leaving the Discover Surrey Board as Past Chair.

I would also like to thank our Executive Director, Ange Chew, and her team for their work over the last year. The team has increased the awareness for Surrey and Discover Surrey by implementing our mobile visitor services strategy and leveraging their professional relationships within the travel media, Destination BC and Destination Canada teams. They are constantly seeking innovative ways of reaching out and promoting our partners and attracting visitors with a small, but mighty, team of four members.

Lastly, thank you to all our partners for your continued support and involvement with Discover Surrey. You are the backbone of our organization, and by working together, we share the unique story of Surrey, benefiting all businesses.

This concludes the Chair's Report.

Motion:

"To accept the Chair's Report as present"

1st:

2nd:

Vote – please vote using the polling buttons.