

June 24, 2025

Sunshine Coast Regional District
1975 Field Road
Sechelt, BC V7Z 0A8

Dear Sunshine Coast Regional District Board,

Re: Request for Letter of Support – MRDT Renewal Application

On behalf of Sunshine Coast Tourism, I am writing to request a formal letter of support from the Sunshine Coast Regional District (SCRD) for our upcoming five-year Municipal and Regional District Tax (MRDT) renewal application.

As the Designated Recipient for the MRDT in the Sunshine Coast/qathet Region, Sunshine Coast Tourism is preparing its renewal application for the program. Our submission includes a proposed increase to the MRDT rate from 2% to 3%, reflecting extensive engagement and feedback from tourism industry stakeholders and local government partners. This 1% increase is intended to strengthen off-season tourism marketing, support sustainable destination development initiatives, and grow contributions for affordable housing initiatives through Online Accommodation Platform (OAP) revenues.

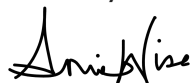
Please see the following two attachments to this letter for further information and details:

- A **Backgrounder** that outlines the purpose and rationale for the MRDT renewal and proposed rate increase
- A **Draft Letter of Support** for your consideration and optional use

A letter of support from the SCRD Board is a required part of the renewal application. The MRDT is a true public-private partnership — a visitor-paid levy that can only be implemented with the support of accommodation providers, the tourism industry, and local governments. It remains one of the most effective policy tools available to help communities achieve their tourism goals, offering a predictable framework with clear accountability, locally and provincially.

We are grateful for the SCRD's continued partnership and commitment to growing a sustainable and resilient visitor economy across the region.

Sincerely,



Annie Wise

Executive Director, Sunshine Coast Tourism
604-330-3203 | annie@sunshinecoastcanada.com

Enclosures (2): MRDT Renewal Backgrounder for the SCRD; Draft Letter of Support

Sunshine Coast Tourism

MRDT Renewal & 3% Rate Proposal (2026–2031 Term) Local Government Backgrounder

Summary

Sunshine Coast Tourism is renewing its 5-year application to collect MRDT — the visitor-paid tax that funds tourism marketing and affordable housing. We're also proposing a 1% increase (from 2% to 3%) to help keep our region competitive and support growing needs like off-season promotion and new market development. This document outlines why the program matters, how it benefits your community, and why collaboration is essential to keep it working.

Request: Sunshine Coast Tourism is requesting a letter of support from the Sunshine Coast Regional District in support of its renewal application.

About Sunshine Coast Tourism

Sunshine Coast Tourism (SCT) is a destination marketing/management organization, and the region's **designated recipient** of the Municipal and Regional District Tax (MRDT), representing the qathet and Sunshine Coast Regional Districts and the municipalities within: the District of Sechelt, Town of Gibsons, and the City of Powell River. We are a not-for-profit society, guided by a volunteer Board of Directors and overseen through provincial MRDT regulations, annual reporting requirements, and regular presentations to each of our five local government partners.

SCT's Board includes representation from accommodation providers, recreation, arts and culture, and tourism businesses across the entire coast. In late 2024, the organization amended its bylaws to welcome non-voting, ex-officio seats from each of our local governments, ensuring stronger alignment and open communication. The Board is legally responsible for the strategic direction and resource allocation of SCT and must act in the best interest of its registered stakeholders.

Over the past decade, SCT has grown into a high-performing destination marketing and management organization. SCT has steadily increased room revenues, particularly in the off-peak season, elevated the regional brand, and expanded its role in areas like sustainability, data insights, industry advocacy, and visitor services. The organization is accountable, collaborative, and uniquely positioned to serve as a unifying force across jurisdictions and tourism sectors.

Understanding the MRDT

The MRDT is a provincially legislated tax **paid by visitors on their accommodation room bill** that regions or communities can choose to "opt-in" to via an application with a majority of eligible accommodations' approval at a rate of either 2 or 3%. Once a region opts in, all eligible

accommodations in that region will levy the tax on their guests' room bills (alongside PST and GST). The money collected is then remitted to the Province, which is then dispersed back to the region's **designated recipient** to be used for approved purposes, primarily destination marketing. This is the primary funding source for most tourism organizations in British Columbia and is a common program in many places throughout the world. MRDT is currently collected in 71 communities across the Province, with 44 of the 71 communities collecting MRDT at 3%.

Sunshine Coast Tourism is the designated recipient. Currently set at 2% in our region (which includes the entirety of the Sunshine Coast Regional District, the qathet Regional District, and the municipalities within), it generated just shy of \$1M in 2024. The funds are reinvested into tourism marketing programs and projects, and, in part, affordable housing initiatives through a separate allocation from Online Accommodation Platform (OAP) revenue.

The province requires a MRDT renewal application to be submitted every 5 years. As such, Sunshine Coast Tourism is preparing its MRDT renewal application for the 2026-2031 period, and is proposing an increase from 2% to 3%, which would generate an estimated \$1.5 million per year. The increase is in line with what many comparable destinations in BC have already adopted, including Squamish, Campbell River, Vernon, Penticton, Golden, and Ucluelet, just to name a few – and reflects the growing need to maintain a competitive, year-round visitor economy.

The additional funds would allow SCT to expand its role in regional promotion, festival support, sustainability, and new market development, all while maintaining strong governance and public accountability.

Successful MRDT applications require signatory support from the accommodation sector and letters of support from all local governments within the region. This requirement ensures the cooperation, collaboration, and balance between the tourism industry's needs and the broader community (as represented through local government).

The full MRDT Program Requirements are available here:

<https://www.destinationbc.ca/content/uploads/2022/12/MRDT-Program-Requirements-September-2021-1.pdf>

Strategic Priorities for the Next Five Years

SCT's 2026–2031 Strategic Plan was developed through a robust engagement process that included over 200 tourism operators, local officials, First Nations representatives, and community partners. The plan sets out a clear vision: to grow a sustainable, year-round visitor economy that balances the needs of residents, businesses, and the environment.

At the heart of the plan are four strategic pillars:

- 1. A Year-Round Destination**

We will continue to focus on growing shoulder and winter season visitation through seasonal marketing, targeted campaigns, and support for festivals, sport tourism, business travel, and film production. This work helps ease summer strain while ensuring local

businesses remain viable throughout the year.

2. **Collaborative Management**

We aim to strengthen coordination among governments, First Nations, and tourism operators, recognizing that tourism success depends on alignment across the entire ecosystem. This pillar also will build additional support for industry development, through additional programming, workshops, tools and resources for the local tourism industry.

3. **Community Well-Being**

Our work promotes responsible travel, visitor education, and resident engagement. We've made measurable progress in improving resident sentiment and see this as a vital area for continued investment.

4. **Organizational Resilience**

To meet growing expectations, we must invest in internal capacity, Board governance, and staff development, ensuring our work remains responsive, equitable, and high-impact. There's also a growing need for better data and localized tourism research to improve data-driven decision-making by ourselves and our partners.

These priorities directly reflect what local governments have asked us to focus on: off-peak growth, housing support, stronger data, sustainability, and more cohesive regional planning.

Affordable Housing Contributions

In addition to hotels, motels, and resorts, visitors must also pay MRDT when staying at a short-term rental property. In these cases, the hosting platforms, like Airbnb and VRBO, collect the taxes and remit them on behalf of the property host. This stream of MRDT revenue is called Online Accommodation Platform MRDT (OAP).

A portion of OAP tax revenue is currently set aside for affordable housing under MRDT guidelines. For our region, the eligible funds have been distributed to the qathet Regional District and the Sunshine Coast Regional District in accordance with the provincially approved guidelines. In 2025, the total OAP distribution was ~\$210,000. Assuming a successful renewal application at 3% MRDT, the projected contribution to affordable housing in 2026-2027 is \$350,000. This estimate comes with the understanding that new provincial short-term rental legislation is affecting the number and availability of short-term rentals, making revenue forecasting somewhat unpredictable.

These funds are distributed through a shared fund allocation model developed in collaboration with local governments and industry partners. It is important to emphasize that this model is **critical to maintaining support from the accommodation sector**, which plays a direct role in collecting the tax. Any efforts to significantly alter the current approach may jeopardize that

support, and without participation from accommodation providers, **the MRDT cannot be approved for our region.**

In other words, if the current housing arrangement is challenged too aggressively or made adversarial, the entire funding mechanism could unravel, impacting not only housing but also all other MRDT-supported initiatives.

Cooperative Model

The MRDT program is built on support and mutual agreement between local governments and commercial accommodation providers, who collect the tax from their guests. Under provincial rules, the program cannot proceed without clear support from both groups. If that cooperation breaks down, the program risks collapsing. In that case, no one receives MRDT, and our region loses vital funding for tourism marketing and affordable housing, which would have a cascading impact for years to come.

Furthermore, the MRDT program guidelines explicitly state, “MRDT funds cannot be used to replace existing sources of tourism funding in a community.” For this reason, Sunshine Coast Tourism will continue to request the same annual contributions from each of the local governments, which have remained static for over a decade. This ensures our application meets the provincial requirements and is also a vital contribution to the cooperative model and service delivery provided. Protecting this balance ensures we can continue to pool resources, invest strategically, and deliver results that benefit the entire Sunshine Coast.

Why Your Support Is Essential

Local government support is required to renew and increase the MRDT rate. Your endorsement ensures the continuation of affordable housing contributions, sustains destination marketing programs that strengthen local economies, and avoids regional fragmentation that would limit funding opportunities and brand cohesion.

Moreover, SCT acts as a central touchpoint and unifying voice for tourism issues across a complex region made up of two regional districts, three municipalities, and five First Nations. Without continued alignment from our local government partners, this work becomes fragmented and less effective. Collaboration is not only more impactful — it is also more cost-effective and politically stable.

Financial Overview

With the proposed 3% MRDT rate and supporting revenues, the SCT operating budget for 2026-2027 would be approximately \$1.93 million, noting that the increase from 2 to 3% MRDT would take effect on August 1, 2026, and the increased rate would be distributed back to Sunshine Coast Tourism starting in late October 2026. Key allocations include:

- **\$760,000** for off-peak season leisure marketing, festival/event support, and developing new opportunities in business meetings and corporate retreats, sport, and film tourism

- **\$200,000** for visitor services across multiple communities (not funded by MRDT, but rather via fee-for-service contracts within individual municipalities)
- **\$350,000** for affordable housing (from OAP MRDT)
- **\$450,000** for staffing and payroll to deliver on program commitments
- **\$118,000** for industry development and support programs, including training and workshops, tourism data and research, and responsible visitor education programs
- Additional funds support governance and administration

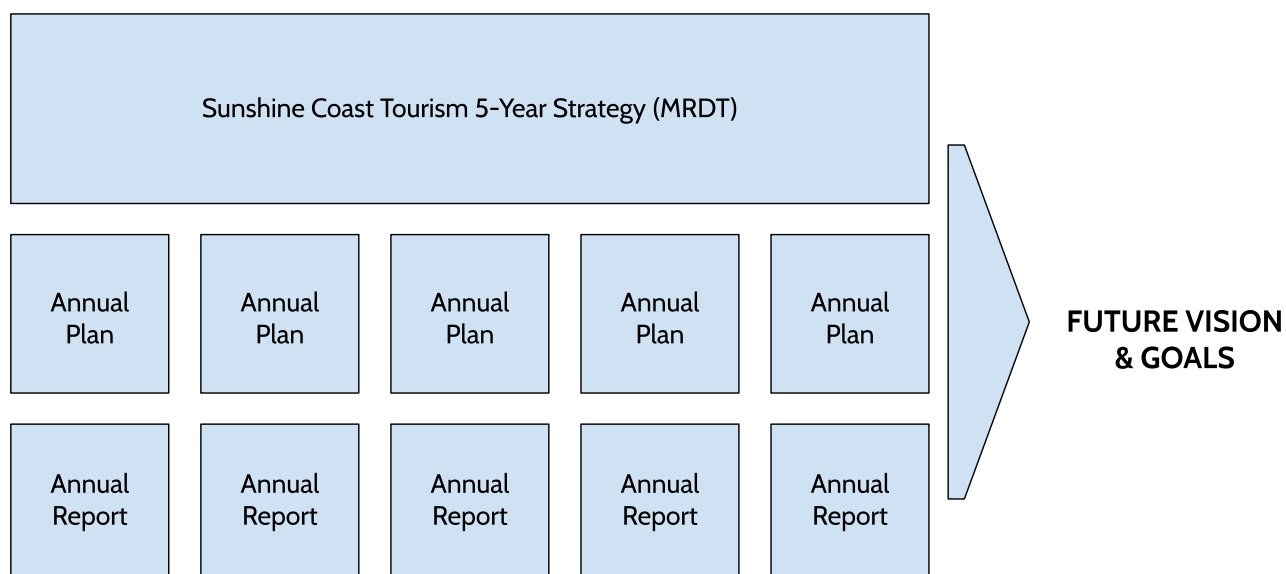
This budget will allow SCT to keep delivering high-impact marketing, host strategic campaigns, deepen sustainability efforts, support community events, and contribute to broader quality-of-life goals.

Transparency and Accountability

SCT adheres to provincial MRDT legislation and robust accountability standards. The following documentation must be submitted to the province:

- A 5-year Strategic Business Plan
- Annual Performance and Financial Reports (due May 31 each year)
- Annual Tactical Plan (due November 30 each year)
- An annual stakeholder satisfaction survey (required for 3% MRDT regions)
- Annual public reporting to all local government funders
- An Annual General Meeting of the society, where financial statements and annual reports are presented, and the voting stakeholders elect directors for the board.

In addition, our reports, strategy documents, and financial summaries are published in a dedicated “Industry” section of our website.



In Closing

The Sunshine Coast has grown into one of BC's strongest mid-sized destinations, with room revenues increasing from **\$27.4M in 2019 to \$50.4M in 2024** — and off-season revenues nearly **tripling** in the same period. We've helped shift the narrative toward sustainable growth, responsible travel, and regional unity.

Now, we're asking for your continued support to sustain and elevate that progress.

- The proposed MRDT increase is aligned with provincial norms and is **visitor-paid**.
- The shared affordable housing funding model is a **working success** and should be protected.
- SCT's strategic plan is based on **broad engagement**, aligned with local priorities, and backed by transparent governance.

Let's keep working together — to ensure a thriving, sustainable visitor economy that benefits every community on the Sunshine Coast.

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