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September 6, 2022

His Worship, Mayor Charlie Clark  
222, 3<sup>rd</sup> Ave N  
Saskatoon, SK  
S7K 0J5

Re: City of Saskatoon Fee for Service Agreement with Discover Saskatoon

To: Your Worship & City Council,

I am writing to formally request an increase to Discover Saskatoon's annual financial contribution within our fee-for-service agreement by \$50,000 per year for each of the next three years, totaling \$706,700 by 2025.

The success of Discover Saskatoon's ability to drive visitation as a Destination Management and Marketing Organization depends on this financial support request. Our residents and travellers alike demand a more sophisticated level of service delivery, an abundance of transformative visitor experience options, and a thriving visitor economy to feel proud of Saskatoon and choose our city as their destination of choice.

This enhanced funding will further enable Discover Saskatoon to continue fulfilling our currently contracted services and further enable our critical role in the development and delivery of:

- Year-round transformational visitor experiences
- The implementation of destination-wide sustainability initiatives
- Ensure destination-wide action towards truth and reconciliation

Additionally, it will allow us to achieve our goal of inspiring more people to visit Saskatoon while enriching the residents' quality of life and creating prosperity. The visitor economy has increasingly become integral to our city's growth and economic future.

Discover Saskatoon has renewed our service agreement with our 24 hotel partners who are members of Saskatoon Destination Marketing Hotels Inc. (SDMH). The revenue that is generated through this organization is fueling Discover Saskatoon's work in creating global awareness of Saskatoon that inspires visitation through business events, sporting events, and leisure travel. SDMH has also been investing in Destination Management through the development of new tourism experiences and event incubation for 5 years. Through our partnership with SDMH Inc., we have been able to leverage the investment from the City of Saskatoon by 6 - 7.5x in order to amplify the work we do.

In addition to the funding Discover Saskatoon receives from the City of Saskatoon and the SDMH, we also pursue other sources of funding (in the form of grants) to help fulfill our Destination Management role. Pursuing these other forms of funding became especially important during the significant drop in revenue from the SDMH over the course of the pandemic; without which, a leveraging ratio of only 2-2.7x would have been achieved, instead of

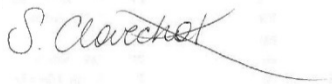
the 4-5.7x we achieved. It is worth noting though, that most of these funding dollars were in support of specific, net new projects and not general operations.

Overall, it will take a collaborative effort to continue to successfully build and further develop tourism in Saskatoon, with equal participation by the government, private sector, and the community.

Acknowledging and supporting our role as a Destination Management and Marketing Organization will enable our continued provision of services within our current agreement and expand our impact in the areas of destination management. Our need to remain relevant, competitive, and sustainable in the national and international marketplace has never been more critical.

If the City of Saskatoon's current fiscal constraints limits the ability to increase funding for each of the next three years, we respectfully request consideration in providing a \$50,000 increase within a one-year bridge contract. This timeframe will allow Administration and Discover Saskatoon to redevelop the existing contract terms while acknowledging the valuable work that our team and stakeholders do to grow economic prosperity and social well-being as your partner. I look forward to our further discussion. Please do not hesitate to contact me for further information.

Sincerely,



Steph Clovechok  
CEO, Discover Saskatoon



# Fee for Service Agreement Proposal

City of Saskatoon

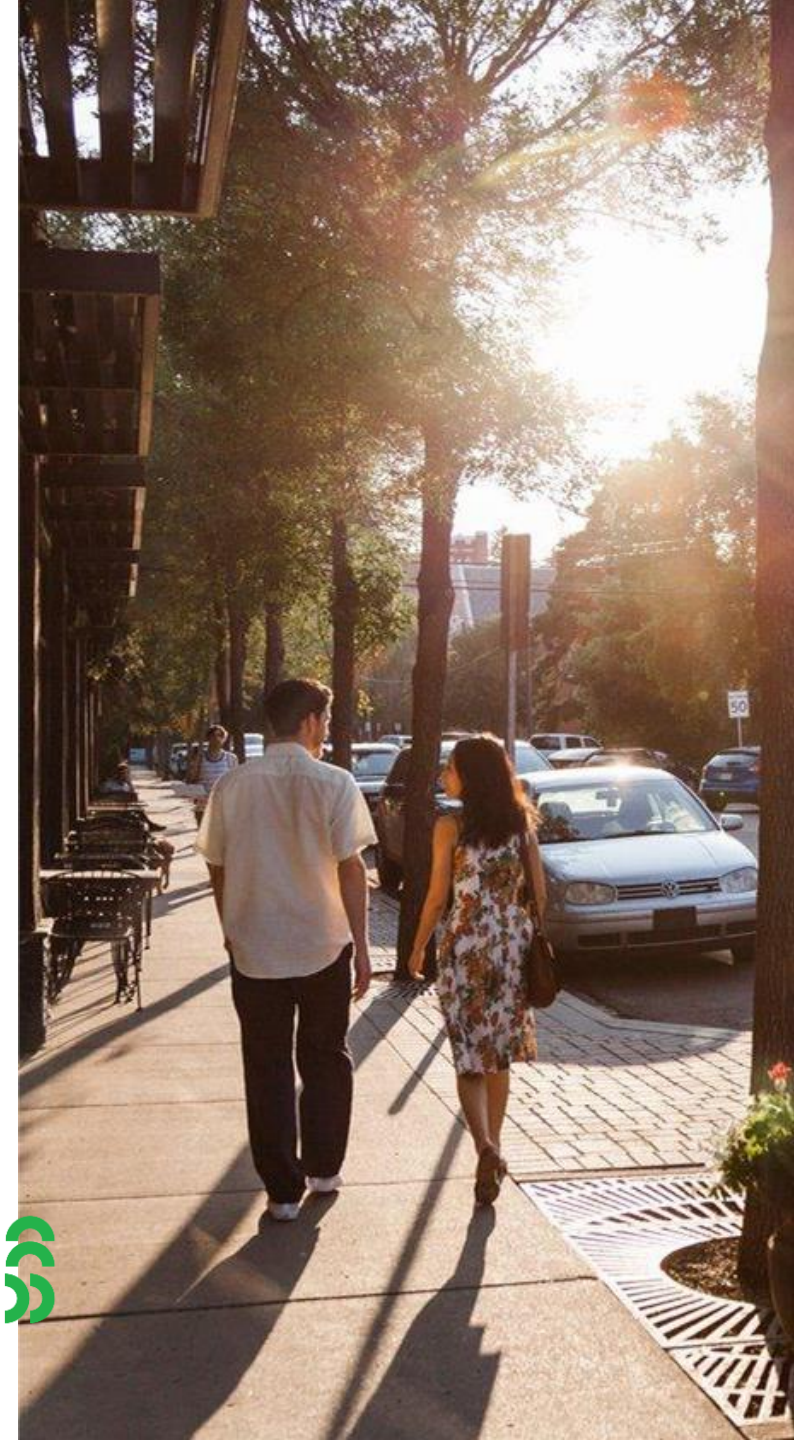
Saskatoon 2022





# Current State Partnership

The City of Saskatoon has a substantial investment in facilities that attract and serve visitors. The City has a municipal interest in the marketing, development and economic growth of the City through tourism. The City wishes to centralize its tourism management function with Discover Saskatoon to promote the City and provide tourism marketing services.



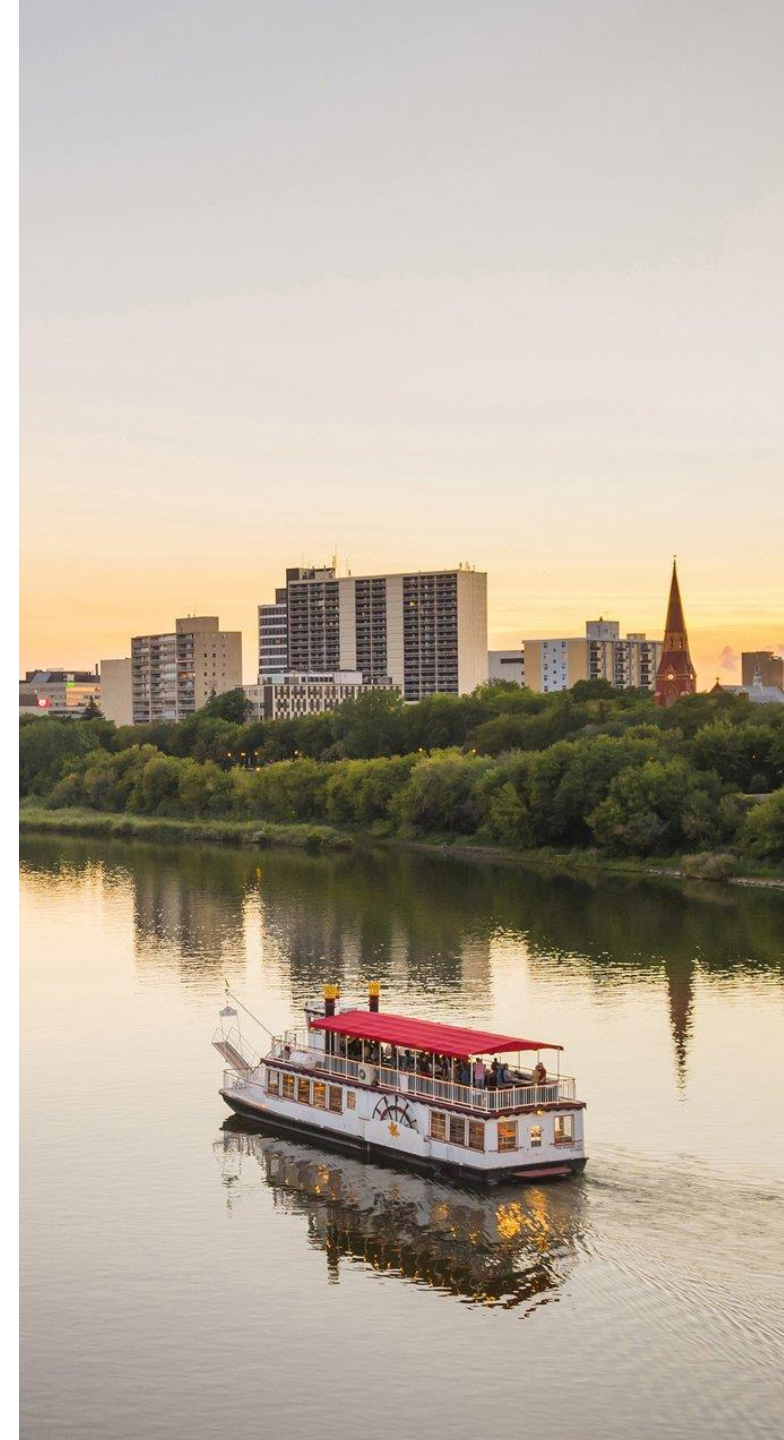
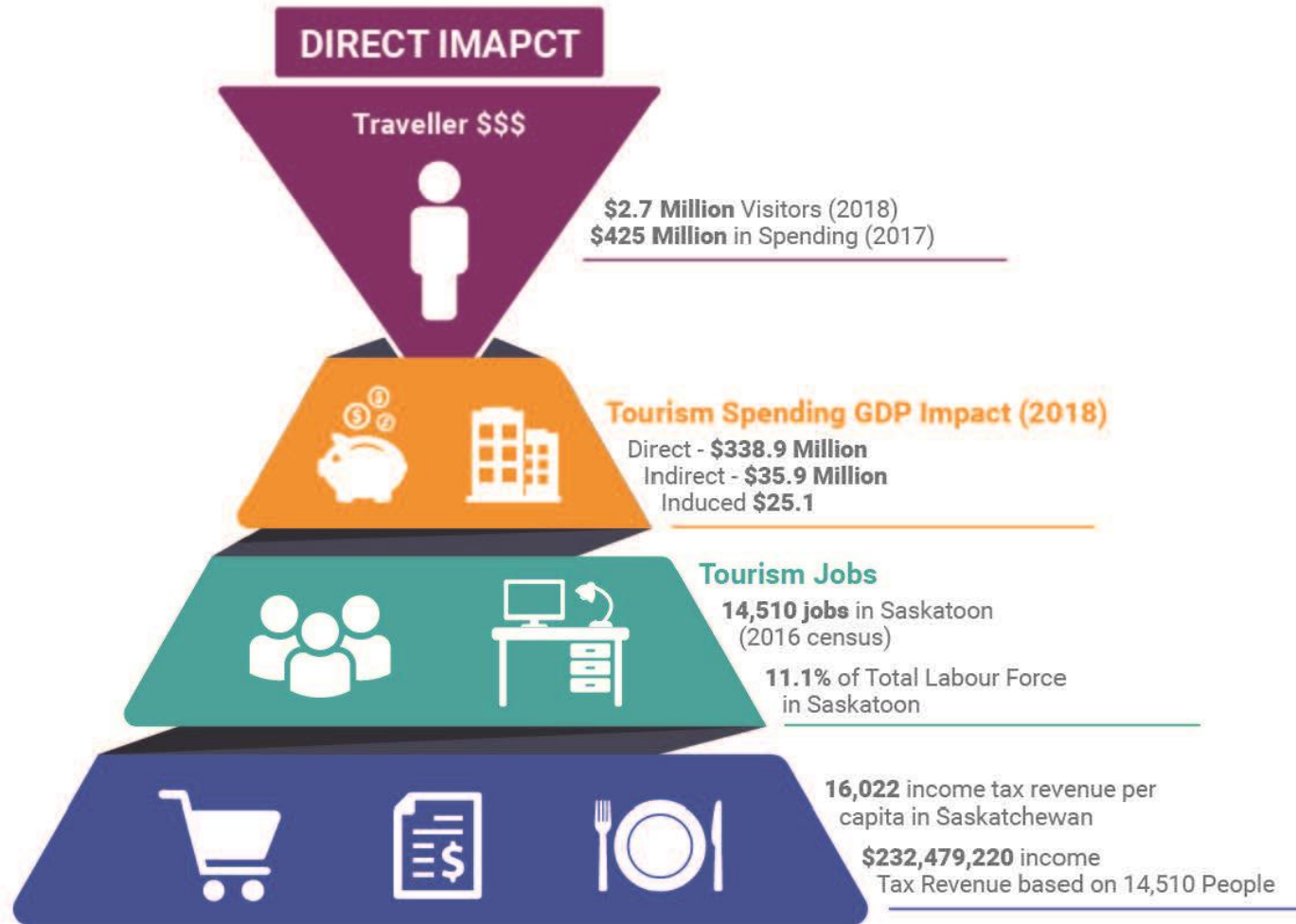
# Current Provision of Services

1. The operation of a Visitor Information Centre year-round
2. The provision of a comprehensive visitor information program to visitors of the facilities, attractions, and events in the City
3. Undertaking promotional activities such as advertising in publications to attract visitors from other markets
4. Conducting site visits for the purpose of familiarizing influencers with the City and its facility
5. The attraction of events to the City that will utilize the City's facilities such as TCU Place, SaskTel Centre, sport facilities and other local meeting facilities
6. The attraction and servicing of conventions and events that will utilize the City's facilities and other local facilities





# SASKATOON'S VISITOR ECONOMY



# Current State

Discover Saskatoon's role is always to be looking at the big picture for Saskatoon as a destination, leading the way to promote our city as a four-season destination and developing the experiences and partnerships that will position Saskatoon as a destination of choice.

Not only does the visitor economy create jobs and generate revenue, but it also drives awareness to our amazing city, in turn, contributing to our city's local economic vibrancy, future prosperity, authenticity and quality of life.

Our opportunities to ensure a thriving visitor economy and enhanced quality of life in Saskatoon is inviting an evolution from our current state.







**Centralized Destination  
Marketing & Management**



# From DMO to DMMO

The role of the typical Destination Marketing Organization (DMO), like Discover Saskatoon, is evolving to fulfill a new role in communities across the world. With the abundance of online information available to travelers, the information gathering process has shifted, as has the DMO's means of delivering information to visitors.

DMOs are no longer meant to just develop clever taglines and churn out advertising campaigns. Discover Saskatoon is leading the charge on the Destination Management revolution. Organizations like Discover Saskatoon are transitioning from DMOs (Destination Marketing Organizations) to DMMOs (Destination Management and Marketing Organizations). DMMOs still promote and market their destination to global markets, but we must also foster the entire visitor experience from beginning to end. It's not just about bringing people to Saskatoon; it's about elevating the visitor experience once they get here and communicating with that visitor after they leave. In addition to compelling marketing campaigns, business, sport and cultural event attraction, Discover Saskatoon has been fulfilling the destination management role by incubating cultural events, developing new tourism experiences for the export market and by working closely with community organizations, such as BID's, SREDA, The Greater Saskatoon Chamber of Commerce, the Saskatoon Tribal Council and many more.

One of the ultimate goals of tourism is to increase quality of life for residents of a destination. When Discover Saskatoon inspires visitation, it drives economic prosperity, attracts human capital and enables investment in the economy. When the Saskatoon area economy thrives, the resident experience also thrives. But it is a delicate balance. In addition to development strategies that enhance visitation, Discover Saskatoon must also focus on implementing core strategies for regenerative tourism, environmental sustainability, stewardship of the destination and the truth and reconciliation.



# Why the shift?

The past two years have had dramatic impacts on just about every aspect of life, including how individuals, businesses, and investors think about potential destinations. It is imperative that Saskatoon enhance our position as a place to live, work and visit if we are to forge a future of long-term stability, prosperity and quality of life for residents of Saskatoon and the region. Doing so requires investment in our experiential assets and core tourism functions.

Unmanaged tourism can diminish the quality of life for residents and create a negative experience for visitors.

We want to avoid that at all costs and create a visitor economy for all within the means of our environment.





# Pillars of Destination Marketing & Management



## Destination Marketing

Targeted Global Marketing Campaigns, partnership content development, joint marketing programs, destination brand alignment



## Destination Leadership

National & International representation, alignment with Economy & Trade, PR



## Community Partnerships

Saskatoon Tribal Council, BID's, Destination Leadership Coalition, Advisory Committees



## Destination Stewardship

Destination Sustainability, Destination Truth Telling & Action towards reconciliation, global equity, diversity & inclusion benchmarking, event incubation, experience development and export readiness.





Saskatoon's  
Gold Standard  
Partnerships





# Saskatoon Destination Marketing Hotels

24 hotels partner to enable 3.2M in Destination Management Revenue (pre-covid revenue)

Actively collaborating with Discover Saskatoon to present competitive bids for national and international business event bids, sport event bids, and cultural event bids

Provide visitor services in partnership with Discover Saskatoon in the front lobby areas and in guest rooms to ensure the distribution of visitor wealth throughout Saskatoon

Actively recruiting new hotels for greater participation in Destination Marketing and Management of Saskatoon



# The City of Saskatoon

Current collaboration on Civic Hospitality Fund to enable hosting excellence for business event clients

Discover Saskatoon advisory in the adjudication of the Special Events Grant Program

Discover Saskatoon proven success in the implementation of strategies like WinterCity YXE

Discover Saskatoon's strategic investments to prospect, bid, and secure high-impact business, sport, and cultural events

Discover Saskatoon targeted marketing campaigns in core markets furthering The City's strategic goal of global marketing campaigns

Enabling Truth & Reconciliation through transformative experience development and execution





# The Saskatoon Tribal Council

Responding to the Truth and Reconciliation Commission's Calls to Actions #87, #89 and #92

Ensuring prior consent is obtained and equitable access to the visitor economy is enabled for Indigenous community members

Ensuring territorial protocol is included in all event hosting

Collaborative employment partnership to ensure Indigenous tourism development is led by an Indigenous community member

In community development strategies for all 7 member nations of the Saskatoon Tribal Council

Sector-wide treaty education, anti-racism training and cultural awareness training is enabled through Discover Saskatoon





# An Expanded Role for Discover Saskatoon

The social awareness regarding tourism is changing among travellers, residents, businesses and government bodies. Tourism in Saskatoon will require a different view and approach and in addition to promoting the destination, we must invest more resources into developing year-round transformational visitor experiences and events. Doing so will enable Discover Saskatoon to inspire more people to visit Saskatoon for exceptional experiences, while also enriching the quality of life for residents, and creating economic prosperity.





# An Equitable, Diverse & Inclusive Visitor Economy

Tourism in Saskatoon should contribute to both equity and economic growth. In fact, many of the cities with the strongest tourism sectors are known for their diversity and inclusion. Destination-wide removal of systemic barriers to marginalized and underrepresented communities is possible through celebrating the broad range of human differences among us, while also embracing the commonalities we all share.





# A Regenerative Visitor Economy

Regenerative tourism addresses impacts holistically, from destination and community perspectives as well as environmental. We must encourage tourism policies and business practices that protect our unique sense of place and not only sustain, but benefit both our natural and cultural assets. We will achieve this by implementing a Decade of Action plan in alignment with the United Nations Sustainable Development Goals, following regenerative principles in tourism development, accepting scientific consensus on needed reductions in greenhouse gas emissions, and integrating Indigenous worldviews with environmental management and stewardship practices.





**Fee for Service  
Enhancement to  
Enable Saskatoon's  
Thriving Visitor  
Economy**



# Current State of Leveraged Funding

In order to truly achieve the results as outlined in the Fee-for-Service agreement with the City of Saskatoon, Discover Saskatoon is consistently working to generate additional sources of revenue. There are many other sources, the most significant of which, is through the partnership with SDMH Inc.

Discover Saskatoon has renewed the service agreement with the 24 hotel partners who are members of Saskatoon Destination Marketing Hotels Inc. The revenues that are generated through this program are fueling Discover Saskatoon's work in creating global awareness of Saskatoon that inspires visitation through business events, sporting events, and leisure travel.

Through the partnership with SDMH Inc. we have been able to leverage the investment from the City by 6-7.5x in order to amplify the work we do to achieve the outcomes the City requires. In addition to this funding, Discover Saskatoon also pursues other sources of funding to help fulfill the Destination Management role which became especially important during the significant drop in revenues from the SDMH over the course of the pandemic; without which, a leveraging ratio of only 2-2.7x would have achieved, instead of the 4-5.7x achieved.

## Leveraging Comparison - Total \$'s : City of Saskatoon \$'s

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>		<u>2021</u>		<u>2022</u>
								(total)	(note 1)*	(total)	(note 1)*	(Projected)
Revenue	3,050,698	3,071,326	3,509,121	3,480,477	3,488,740	3,465,065	3,712,459	2,614,585	1,905,046	3,506,435	1,583,070	3,537,758
City Fee for Service	392,000	405,000	414,600	480,200	502,200	510,100	513,800	518,800	518,800	523,800	523,800	523,800
Leveraging Ratio	<b>6.8:1</b>	<b>6.6:1</b>	<b>7.5:1</b>	<b>6.3:1</b>	<b>6.0:1</b>	<b>5.8:1</b>	<b>6.2:1</b>	<b>4.0:1</b>	<b>2.7:1</b>	<b>5.7:1</b>	<b>2.0:1</b>	<b>5.8:1</b>

\* Note 1: Revenue, excluding Federal and Provincial Support such as WED/PrairiesCan funds, CEWS, CERS, CEBA, and Tourism Saskatchewan one-time projects





# Reporting & Accountability for Meaningful Results

# Triple Bottom Line KPI's



## **Profit:** Economic Performance

- Economic impact from business events, sporting events & cultural events
- Total BIDs submitted
- Total successful BIDs
- Definite Ratio (% of bids won vs. lost)
- # of Client site inspections or familiarization tours
- Revenue from all sources
- Room nights sold
- Hotel room supply
- Airplane enplaned/deplaned passengers
- Number of new shoulder season or winter experiences/events created
- Total impressions from marketing campaigns
- Website referrals to member businesses
- Net Promoter Score
- Earned media reporting



# Triple Bottom Line KPI's



## People: Social Performance

- Employee training and development
- Employee engagement
- Member engagement
- Number of Indigenous partnerships for inclusion of territorial protocol
- Number of Indigenous elders gainfully employed
- Number of Indigenous owned and operated experiences created
- Number of newly trained and onboarded tourism sector employees
- Resident sentiment survey results

# Triple Bottom Line KPI's



## **Planet:** Environmental Performance

- Progress reporting on implementation of United Nations Sustainable Development Goals, “Decade of Action Plan” for tourism sector
- Number of experiences developed and operating with regenerative principles
- Number of “no waste” events hosted
- Number of events implementing action towards “no waste” and “carbon neutrality”
- Number of partnerships B2B relationships developed with Meewasin Valley Authority as partner in biodiversity and carbon capture
- Number of member businesses and hotels implementing sustainability initiatives
- Number of partnered sustainability initiatives with UofS and City of Saskatoon



Thank You



Discover <sup>ГубС</sup>  
saskatoon