

Janzen, Heather

Subject: FW: Email - Request to Speak - Paul Rosten - Downtown Event and Entertainment District Funding Strategy - CK 4130-14
Attachments: d3h Letter RE Proposed DEED Funding Model.pdf

From: Web NoReply <web-noreply@Saskatoon.ca>
Sent: Monday, August 26, 2024 2:53 PM
To: City Council <City.Council@Saskatoon.ca>
Subject: Email - Request to Speak - Paul Rosten - Downtown Event and Entertainment District Funding Strategy - CK 4130-14

--- Replies to this email will go to [REDACTED] ---

Submitted on Monday, August 26, 2024 - 14:32

Submitted by user: [REDACTED]

Submitted values are:

I have read and understand the above statements.: Yes

I do not want my comments placed on a public agenda. They will be shared with members of Council through their online repository.: No

I only want my comments shared with the Mayor or my Ward Councillor.: No

Date: Monday, August 26, 2024

To: His Worship the Mayor and Members of City Council

Pronouns: He/him/his

First Name: Paul

Last Name: Rosten

Phone Number : [3062492882](tel:3062492882)

Email: [REDACTED]

I live outside of Saskatoon: No

Saskatoon Address and Ward:

Address: [REDACTED] Willis Cres

Ward: Ward 7

Name of the organization or agency you are representing (if applicable): d3h Hotels Inc.

What do you wish to do ?: Request to Speak

If speaking will you be attending in person or remotely: In person

What meeting do you wish to speak/submit comments ? (if known): Regular Business Meeting of City Council
- Aug 28th

What agenda item do you wish to comment on ?: 10.1.2

Comments:

Speaking on behalf of the Saskatoon Hotel Industry, as an owner/operator in Saskatoon in opposition of the proposed DEED Funding Strategy. Specifically, the enormous burden being asked of the Saskatoon accommodation industry without understanding the risks & implications of doing so.

Attachments:

- [d3h Letter RE Proposed DEED Funding Model.pdf](#)564.72 KB

Will you be submitting a video to be vetted prior to council meeting?: No

August 26, 2024

His Worship, Mayor Charlie Clark and Members of Saskatoon City Council
222 3rd Avenue North
Saskatoon, SK, S7K 0J5

Dear Mayor Clark & Members of Council,

We write to you today to express our grave concern with the recently introduced DEED funding strategy, specifically with its enormous reliance solely on the Saskatoon accommodation industry.

Our organization is a member of the SDMH and has been an active participant in all open meetings seeking to find a collaborative approach for the accommodation to support the development of the DEED project while also keeping funding available for our cities' tourism organization, Discover Saskatoon. In September of last year, a meeting was held between local hotel owners, SDMH representatives as well as representatives from the city including Mr. Clae Hack & Mr. Dan Willems. The meeting was held shortly after the city had released the "Potential Revenue Tools Analysis" report that was prepared by KPMG. The report outlined 3 scenarios for using an accommodation tax as a revenue generator – a low, medium & high. In the meeting, while it was made clear the project had not been fully costed, the majority of the dialogue was centered on the "low-to-mid" tax scenarios being between 1-2% of revenues. In subsequent meetings, the SDMH had been working toward a solution to provide the funding that the city had required for the project, which was discussed to be nearly \$2M being provided annually from Saskatoon Hotels.

In the funding strategy released last week, the Administration is proposing the extreme amount of \$5.7M to come from the accommodation industry. This represents over \$1M annually more than the amount of the "High" tax scenario in the KPMG report. The administration has proposed this amount without any understanding of the impact of a taxation level this high on the Saskatoon accommodation industry.

For our hotel in Stonebridge, should the tax be levied as proposed in the funding model, it would represent an increase in our taxes greater than **80%**. This proposed increase drastically outweighs any benefits our property would garner from the DEED project once operational. In the nearly 10 year construction period prior to the DEED being operational, an increase of 80% would simply be catastrophic.

While we understand the Administration has the daunting task of determining a way to fund a project that has ballooned to an amount in excess of \$1.2B without any increase in municipal property taxes, the proposed funding model outlines an extreme burden to be placed on the Saskatoon accommodation industry, without any understanding of its impact on the industry.

Throughout this process, our organization has been committed to finding a collaborative solution to help fund the DEED project and continue to fund Discover Saskatoon, all while remaining competitive in the broader hospitality landscape.

Should the proposed funding model move forward as presented, our organization, and others, will be cornered into it's opposition and potentially the DEED project altogether. We will oppose it to all lengths available to us by law. Not by choice, but from necessity.

Thank you for your consideration,

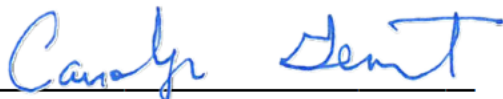
Sincerely,



Paul Rosten – CBDO/Managing Partner
D3h Hotels Inc./Dimension 3 Hospitality Corp.



Jesse Tiefenbach – CHRO/Managing Partner
D3h Hotels Inc./Dimension 3 Hospitality Corp.



Carolyn Genest – CSO/Managing Partner
D3h Hotels Inc./Dimension 3 Hospitality Corp.



Leslie Squires – COO/Managing Partner
D3h Hotels Inc./Dimension 3 Hospitality Corp.