

Economic Development Regina (EDR)

Background

On January 6, 2021, Executive Committee considered report EX21-3 (2021 Budget Submission – Service Partners) and requested additional information on the budget request. Specifically, Council posed the following questions:

1. Why is the additional one-time \$200,000 funding to support the long-term growth and recovery of events, conventions and tourism sector required?
2. What is the breakdown of expenses of the additional one-time funding request?
3. What would happen if EDR does not receive the additional one-time funding in 2021?

The following represents EDR's response to the above questions.

Why is the \$200,000 in one-time funding required?

The request is the result of a \$500,000 funding loss from the Regina Hotel Association, caused by the devastation on the tourism and hospitality sector. The massive loss in hotel revenue resulted in huge deficits for hotels, and drastically reduced funds raised by the Destination Marketing Fee. EDR is filling some of that gap through efficiencies, cost reductions and other measures, although absorbing the full impact will create hardship for the organization and the sector.

What is the breakdown of expenses?

The \$200,000 will be used to sustain salary and benefits for two critical full-time staff to aggressively bid on and secure future events, conventions and tradeshow on behalf of the sector and Alliance partners, including REAL and the Regina Hotel Association, that could get results as early as 2022 and will be critical to the recovery of the hospitality and tourism sector.

What would happen if EDR does not receive the additional one-time funding in 2021?

The one-time request of \$200,000 allows EDR to work with and support our Alliance partners and other host organizations to aggressively pursue and attract future events, conventions and tradeshow into Regina. This work is essential to the recovery of Regina's tourism and hospitality industry. The loss of events right now makes pursuing future events even more critical. If EDR does not invest time and effort now, their ability to compete for and host events in 2022 and beyond will be severely curtailed, significantly impacting economic recovery in this sector. The bid process is ongoing, with other cities aggressively working to attract future events and conventions. Competition is as heavy as it's ever been.

EDR has already made significant adjustments to staff and expenses. RHA and REAL, EDR's Alliance partners, have also made significant adjustments impacting staffing in

the events, conventions and tradeshow space. Not only has EDR's capacity as an Alliance been significantly reduced, EDR may be faced with additional staffing reductions that would impact not only future events, conventions and tradeshow acquisitions but other priority areas.