



THE PANAMA PAPERS

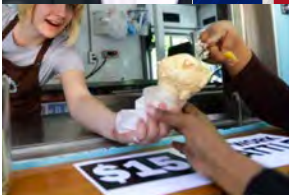
Politicians, Criminals and the Rogue Industry That Hides Their Cash



2016 ANNUAL REPORT

Edmonton Destination Marketing Hotels Ltd.

In Partnership to Increase Overnight Visitation in Edmonton





**AS WE REVIEW 2016,
WAS THERE ANY
GOOD NEWS THAT
AFFECTED EDMONTON?**



2016: THE YEAR IN REVIEW

We as the EDMH hospitality community are primarily focused on Edmonton and surrounds, so we often don't intimately register provincial, national and global events and their impact on our capital region. In 2016 those events were numerous, significant, and often unthinkable.

2016 saw so many unexpected events... One example was the largest leak of confidential data ever; this was larger than the US diplomatic cables released by WikiLeaks in 2010, and larger than the secret intelligence documents given to journalists by Edward Snowden in 2013. Known as **the Panama Papers**, the documents show the myriad ways in which the rich can exploit secretive offshore tax regimes. Twelve national leaders are among 143 politicians, their families and close associates from around the world known to have been using offshore tax havens, with people from China and Russia topping the list. At last count, 625 Canadians were identified in these documents.

In June, 2016 an event that shook the pundits occurred when the majority vote chose in favour of '**Brexit**' through the United Kingdom European Union (EU) membership referendum.

Trade protectionism and a promised southern wall outplayed a campaign filled with rhetoric that would have taken down previous candidates, and **Donald Trump** was elected the 45th President of the United States. Combined with the Brexit vote, these campaigns unearthed overwhelming segments of the populations who did not feel reflected in earlier governments.

In November, 2016 the Conference Board of Canada reported that **Consumer Confidence** fell nationally the month prior by 6.3 points to 96.7, its largest monthly decline since January of the same year. At the same time the Consumer Confidence in Alberta plummeted 15.4 points putting it near its February all-time low. This wiped out most of the marginal gains it had made since February.

Sustained economic weakness dragged down earnings in 2016. Average weekly earnings began to decline on a year-over-year basis in June 2015 but did not bottom-out until May 2016. As a result, consumers pulled back spending, with retail sales

down nearly 2% in the first eleven months of 2016 adding to the decline of 4.6% in 2015. While the weakness was broad-based, sales of discretionary items were the hardest hit.

Provincially, the policy announced on June 30, 2016 advised that Alberta's **minimum wage** would rise from \$11.20 per hour to \$12.20 as of October 2016, and will continue to rise to \$15 by 2018. Another provincial issue that will turn into an Edmonton issue was the initiation of the process to transfer powers to our major cities, under the **Big City Charter**. The concern for the EDMH, HAGE, AHLA and the Calgary Hotel Association is the expected selective taxation of Edmonton and Calgary's accommodation sector. Our members already contribute 4% to support the provincial Tourism Levy. Sadly, we've seen that many of those provincial funds are redirected away from tourism initiatives and stay in general revenues – which do nothing to promote tourism to our centres.

With all of these provincial and global issues, the one that hit closest to home was the most destructive. The **wildfires that ravaged Ft. McMurray and the Wood Buffalo region** in the spring added to Alberta's economic challenges in 2016. As the Alberta Treasury Report states, the wildfires led to the mass evacuation of over 88,000 residents (roughly 2% of Alberta's population) – many finding refuge in Edmonton – and the destruction of over 1,500 residential and commercial structures. Insurable losses caused by the wildfires were estimated at \$3.7 billion, the largest in Canadian history. The temporary shutdown of several oil sands production facilities also resulted in approximately 51 million barrels of lost oil production over a two-month period. The disruption to economic activity and oil production weighed on Alberta's economic growth in 2016. The human impact of this event turned Edmonton and our hotels into a compassionate evacuation centre, and further linked our two cities.

In March, 2016 statistics were released stating that, for the first time in 30 years, Alberta's **unemployment** statistics surpassed Quebec's. As the Financial Post identified, Alberta is the epicentre of the energy boom and bust that began in the second half of 2014 and led to a recession in Canada in the first half of 2015.

Oil is always an Edmonton and an Alberta primary economic driver. In 2016 we saw oil dipping to a 12-year low of US\$26 a barrel in February. By year end, thanks to an OPEC agreement to cut production we saw the prices stabilize at US\$50 a barrel. Meanwhile, the biggest issue that continued to boil in 2016 was how to get Alberta oil to tidewater. In November, 2016, the federal government approved the Trans Mountain pipeline and Enbridge's Line 3 replacement pipeline to Vancouver, while rejecting the Northern Gateway plan. The \$6.8-billion Trans Mountain project would add 980 kilometres of new pipeline between Edmonton and Burnaby, B.C. More importantly, it would open up a route to the Pacific for Alberta's oilsands. As 2017 approached, this federal acceptance continued to face strong opposition in British Columbia, including from First Nations communities, Vancouver Mayor Gregor Robertson, and local Liberal MPs.

As we review 2016, was there any good news that affected Edmonton? The biggest event was the fruition of a press release from December 3, 2013 that advised that the Edmonton Oilers would be moving in 2016 to an at-the-time unnamed new arena. In September 2016 fans lined up to enter the now named Ford Hall through to **Rogers Place**. An incredible facility that sets its goals as being *the* sport and entertainment hub already altered the reality of EDMH hotel members. In the final CBRE Reports (previously PKF) of 2016, the Downtown Cluster for the first time in 2016 was showing positive growth year-over-year.

With all of this, the **Alberta Treasury Board** saw a glimmer of hope by the end of 2016. After falling for most of the first half of 2016, activity in the province began to improve in the latter half of the year. Drilling activity picked up and ended the year at a higher level than in 2015. Exports bounced back after reaching a low in April, boosted by stronger energy exports and prices. Bitumen production fully recovered from the wildfire outages and was up nearly 6% in the first eleven months of 2016 compared to the same period in 2015. Alberta's labour market showed signs of improvement, with employment increasing by 19,000 from the July low.

EDMH BOARD OF DIRECTORS



(left to right):

Robin Cumine, Past Chair
APX Hotels

Grant McCurdy, Chairman
DoubleTree by Hilton

George Marine, Secretary
Hilton Garden Inn

Karen Naylor, Treasurer
Super 8 Edmonton South

Garrett Turta, Vice-Chair
The Fairmont Hotel Macdonald

Colin Perry, Board Member at Large
Delta Edmonton South

Richard Wong, Board Member at Large
Nova Hotels

AS OF AUGUST 1, 2016 (left to right):

Dawn Li, Board Member at Large
The Metterra and Varscona Hotels on Whyte

Robin Cumine, Past Chair
APX Hotels

Grant McCurdy, Chairman
DoubleTree by Hilton

Garrett Turta, Vice-Chair
The Fairmont Hotel Macdonald

Richard Wong, Board Member at Large
Nova Hotels

George Marine, Secretary
Hilton Garden Inn

Karen Naylor, Treasurer
Super 8 Edmonton South

“ In a year that has had more than its set of challenges, Renaissance Edmonton Airport hotel has enjoyed our partnership and collaboration with Edmonton Destination Marketing Hotels. We have been able to take advantage of many of the opportunities to grow business both at the hotel marketing level and as a part of the Edmonton market. Unique in our area as a member, we have shown strong results in all KPIs and look forward to a strong 2017.”

David Keam, General Manager, Renaissance Edmonton Airport Hotel

Our Values

ACCOUNTABILITY

INTEGRITY

COLLABORATION

STEWARDSHIP



Our Vision

EDMONTON WILL BE WESTERN CANADA'S PREMIER HOSPITALITY DESTINATION, ATTRACTING VISITORS FOR A WIDE VARIETY OF ACTIVITIES AND EXPERIENCES, CREATING PROSPERITY FOR OUR MEMBERS

Our Mission

OUR PURPOSE IS TO DIRECT INVESTMENT IN INITIATIVES THAT CREATE, DRIVE AND SUSTAIN GROWTH IN EDMONTON AS A TRAVEL DESTINATION FOR THE BENEFIT OF OUR MEMBERS

Strategic Objectives

1. To maintain, engage and grow EDMH's membership. Success includes:
 - Showing results
 - Measuring ROI
 - Communicating with Members
 - Maximum member participation in marketing initiatives
2. To assure the long term sustainability of Edmonton Destination Marketing Hotels. Success includes:
 - Showing results
 - Regular and ongoing communications with members and other stakeholders
 - Ensuring that the EDMH has the right partners
 - Measuring ROI
 - Clusters working at maximum effectiveness and alignment with EDMH goals
3. To seek innovative initiatives that will drive tourism to Edmonton
4. To drive room revenue through investment of Destination Marketing Fund dollars



REPORT FROM THE CHAIR AND THE EXECUTIVE DIRECTOR

Grant McCurdy | Karen Chalmers

AS WE WATCHED OUR WORLD CHANGE FROM THE WARMTH OF EARLY 2015, we thought that all we needed to do was to persevere through 2016 and Alberta's economic woes would be behind us, enabling us to build our industry again. Indeed the EDMH added nearly \$1 million to the Edmonton Tourism marketing budget in 2016, in hopes that we could aggressively campaign ourselves out of this reality. But no such luck...

As was seen in the 2016 Overview on the first pages of this report, there were an inordinate number of unexpected events. The mantra through 2016 was to not just be prepared so much as to be nimble to react. But reacting without a strong foundation as to what the EDMH wants to achieve would leave our organization rudderless. So in August of 2016 the EDMH Board went into a retreat to identify our unique needs and devise an overarching funding strategy that would see us through 2017. The resulting framework enabled the EDMH to adjust, not only to the needs of those who sought us for the funding they wanted, but to ensure that we would stay true to the pursuits that would lead to the greatest benefit to our members. As the EDMH revenues have gone down, reflecting our members' RevPAR, it's become critical to invest wisely. And sadly, due to none of those we fund requesting less money, it's even more essential to have a judicious plan.

This year saw us adapting to a changing landscape, with the emergence of Rogers Place, the proposed changes to Northlands, and to the leaving then returning of the Canadian Finals Rodeo (CFR). In the world of Edmonton International Airport, the skies were not friendly with challenges facing our established international direct routes due to low yields. And our needs increased with Edmonton Tourism, with the EDMH focus on conversion, beyond image & reputation. Through all of these issues and changes, your board has worked diligently to identify the best opportunities and the strongest ROI for the monies spent, and to ensure that those we fund understand what we need to receive. As always, it's a partnership. But it's one that the board is working hard to deliver our Mission: to direct investment in initiatives that create, drive and sustain growth in Edmonton as a travel destination for the benefit of our members.

2016 EDMH ENTERPRISE BUDGET

FUNDING COMMITMENTS	2016 (\$)
Edmonton Tourism – PROGRAMS	4,849,832.17
MetaSearch	400,000.00
HAC Travel Intention Study 2016	10,000.00
CFR Sponsorship	219,047.62
Edmonton International Airport – new route support & marketing to defend existing routes	743,333.00
TOTAL SPONSORSHIP SPEND:	6,622,212.79

INITIATIVES

IMPACT/Board networking events	2,059.99
Membership initiatives (incl. continued experiential photography/packaging/etc.)	2,100.00
Edmonton Certified & Cluster HQ Support (mileage/parking/AV rental/F&B for meetings, etc.)	6,382.06
EDMH Enterprise campaigns on VFR Edmonton Facebook site; AHLA Membership, etc.	96,394.57
Travel Alberta Conference; Travel Alberta Calgary meetings (2); AHLA Conference; HAC – staff & board chair	6,954.83
Subscriptions & Memberships	2,928.82
AGM & Annual Report	3,585.00
Giveaways	3,012.04
Board & Staff entertaining	2,294.63
Check-in/Jack Rabbit booking engine – ET Website to EDMH Hotels	13,250.78
Tradeshows and tradeshow support	7,741.40
Research: Google Ad Campaigns; Survey Monkey	8,096.00
Cluster & Board Committees, Board retreat, functions & gifts	15,755.14
TOTAL INITIATIVES SPEND:	170,555.26

OPERATIONAL BUDGET	2016 (\$)
AHLA – cheques/stamps/courier. Laptops/cell/office equipment. Staff salaries & benefits. Stationary/board & staff business cards	236,923.60
Year End Financial Audit	13,300.00
Storage unit	1,876.98
Staff – local Travel Exp/Expenses	7,631.23
AHLA Trustee Fee	50,000.00
AHLA – office rental, printing & conference calls	20,701.08
AHLA – bank fees	1,902.97
CBRE (PKF) Report	1,200.00
Legal Fees	10,193.17
Insurances (board & tenant)	5,605.00
TOTAL OPERATIONAL SPEND:	349,334.03
TOTAL 2016 SPEND	6,742,102.08
Projected 2016 Enterprise Budget	6,345,376.55
<i>Signed off for possible access from reserve up to</i>	<i>868,428.45</i>
Potential Accessible 2016 Budget	7,213,805.00

CLUSTER ACTUALS

	2016
Southside	271,746.23
Downtown	300,557.89
Westend	233,106.39
TOTAL CLUSTER INVESTMENTS	805,410.51

2016 METASEARCH & VFR CAMPAIGN

META>DIRECT ACTIVITY ANALYSIS

meta-exploreedmonton.com • 1/1/2016 – 12/31/2016

	TOTAL	Google	TripAdvisor	Trivago**
Avg. Cost Per Referral	\$3.03	\$3.30	\$4.85	\$0.94
Avg. Referrals Per Booking*	20	12	14	33
Referral to Booking CVR*	6.19%	8.59%	6.93%	3.05%
Est. Avg. Cost Per Booking*	\$45.53	\$38.45	\$69.98	\$28.15
Est. Avg. Booking Amount	\$219.67	\$162.62	\$296.81	\$199.59
Total Referrals	55,335	31,917	7,776	15,642
Est. Bookings*	3,758	2,742	539	477
Est Total Spend	\$157,791.55	\$105,433.82	\$37,721.69	\$14,636.04
Est. Booking Revenue*	\$701,084.75	\$445,901.31	\$159,979.42	\$95,204.0
Est. ROI*	4.4	4.2	4.2	6.5
Total Interstitial Ad Impressions	106,060	33,537	7,851	64,672
Interstitial Ad Referrals	3,921	1,585	355	1,981
Ad Click Rate	3.70%	4.73%	4.52%	3.06%
Avg. Advance Stay in Days	17	15	20	15
Avg. Length of Stay in Days	2	1	2	2
Avg. Daily Rate Per Click	\$125.48	\$127.28	\$131.40	\$117.77
Avg. Trip Value Per Click	\$210.79	\$185.39	\$253.80	\$193.17

TOP 10 REFERRAL CITIES

Calgary 25.83%
Edmonton 13.88%
Saskatoon 5.27%
Vancouver 4.12%
Fort McMurray 3.48%
Grande Prairie 3.48%
Regina 2.30%
Red Deer 1.51%
Toronto <1%
Winnipeg <1%

TOP 10 REFERRAL REGIONS

Alberta 63.65%
Saskatchewan 11.22%
British Columbia 10.26%
Ontario 5.49%
Manitoba 0.34%
Quebec <1%
N.W.T. <1%
England <1%
Texas <1%
Nova Scotia <1%

***All amounts are in USD. Trivago Cost Per Referral uses a 1.09 exchange rate from Euros to USD.*

TARGET BC

THE ENTIRE CANADIAN ECONOMY WAS DOWN IN 2016 WITH TWO NOTABLE EXCEPTIONS: ONTARIO – PLUS ONE PROVINCE WITH WHICH WE SHARE A BORDER – BRITISH COLUMBIA.

2016 also had the US/Canadian exchange rate down by 30%. The campaign premise was that many BC residents who had previously sought an urban experience by crossing the border to the States would be concerned with the costs. This would result in an anticipated pent-up demand for an urban location that's easily accessible. Combined with the fact that Edmonton has recently reinvented itself, it was time to reach a new, economically strong market with an untold Edmonton story. **This is how the VFR Campaign: Target BC was born.**

You'll see by the creative that the idea was to make people say 'who knew?' about their beliefs of Edmonton. What a great opportunity to shift their perceptions and ours, proving that this was a great investment. We reached over 7 million people who listed travel, sports and cuisine as motivators, of which over 110,000 people linked to our ExploreEdmonton.com/accommodations page, of which we saw 603 conversions (there could be more room nights; the tracking just advised of conversions to our hotels' booking sites).

The Metasearch campaign continued through 2016, with minimal investment (\$400K). This again was our way to redirect OTA booking straight to your hotels.



112,187 visits to the Accommodations page since the start of the campaign



603 conversions generated amounting to an overall cost per lead of **\$49.41**



During the campaign the ads have achieved over **7,400,000** impressions

Edmonton Vacations Sponsored Like Page

Edmonton-home to Canada's largest urban park. 160km of trails in the heart of the city.




MEETING FRIENDS DOWNTOWN.

Not what you expected?
Come along for the ride.

EXPLOREEDMONTON.COM/ACCOMMODATIONS Book Now

Edmonton Vacations Sponsored Like Page

Edmonton-home to three of the world's best pizza joints according to Conde Nast Traveller.




CHICAGO. NAPLES. EDMONTON.

Not what you expected?
Come and get your slice.

EXPLOREEDMONTON.COM/ACCOMMODATIONS Book Now

Edmonton Vacations Sponsored Like Page

Edmonton-home to Canada's best known made-to-order shoe and boot boutique.



IF THE SHOE FITS.

Not what you expected?
Better bring your credit card.

EXPLOREEDMONTON.COM/ACCOMMODATIONS Book Now

EDMONTON INTERNATIONAL AIRPORT

EIA AND EDMH: DRIVING ROOM NIGHTS THROUGH INTERNATIONAL VISITS.

Since 2014, Edmonton has added three key transatlantic routes to the city's tourism and business offerings. We know that KLM, Icelandair and WestJet committed to Edmonton because they saw opportunity and promise in the strong collaboration between the City of Edmonton, EDMH, Edmonton Tourism, Edmonton Economic Development Corporation, Edmonton's business community, the citizens of Edmonton and Edmonton International Airport.

With more modest local economic growth, it has been critical that we capitalize on the international air routes that enable more and more tourists from other countries to visit Edmonton and drive up room night stays. EDMH's shared leadership generated an 8.6 per cent increase in the number of travellers enjoying transatlantic air service between Edmonton and Reykjavik on Icelandair, Amsterdam on KLM and London on the new WestJet London-Gatwick seasonal service. When viewed more closely, the key inbound passenger growth areas have been Netherlands, Germany, UK, France, Denmark and Finland. Further growth can be seen when we note that the KLM and Icelandair routes' inbound passengers numbers grew by 26 per cent in 2016 over 2015. And a final statistic to support the value of our work together: these international visitors to Edmonton are conservatively estimated to have spent more than \$3.6 million in total hotel room and incidental spend within Edmonton's hotels.

EIA and its partners have engaged in an effective strategy to build confidence with the airlines investing in Edmonton, and we will continue to execute on the core strategies of our current passenger market development efforts, which focuses on international inbound passenger segments. The EIA team will also collaborate with their tourism partners, including EDMH, Edmonton Tourism, Travel Alberta and others to ensure that they are effectively leading in key passenger market segments. We collectively look forward to the partnership and success!





2016 EDMONTON TOURISM

EDMONTON AS A CITY AND DESTINATION FOR VISITORS CONTINUES TO GROW AND EVOLVE.

Our goal is to increase visitation, entice longer stays, and increase tourism spending, and we will accomplish this by: driving demand for our city's experiences, focusing on proactive growth strategies for the city, and setting consistent performance measures that help us drive improved results and build on Edmonton's brand and reputation as a great host city and place to visit.

EDMH PROGRAM FUNDING ALLOCATIONS

MARKETING	41%	\$2,049,999.59
SALES & EVENTS	43%	\$2,149,999.57
COMMUNICATIONS & DISTRIBUTION	15%	\$749,999.85
BUSINESS DEVELOPMENT	1%	\$49,999.99

TOTAL* **\$4,999,999.00**

*(*reforecast from original \$5,150,000.00)*

Inclusive of 'Opportunity Funds' of:

EVENTS 2016 COMMITTED	\$1,346,724.25
2016 TRANSFERENCE FROM M&C CONTINGENCY	\$96,724.25
MEETINGS & CONVENTIONS 2016 COMMITTED	\$69,924.08
2016 CONTINGENCY	\$0.00

MEETINGS & CONVENTIONS

- 36,819 contracted room nights, 19.19% increase over 2015
- Began reviewing RFP leads in relation to Edmonton's Core Industry Focus
- On-The-Books Forward Forecasting Tool increased reach with data now shared from 92% of EDMH properties

EDMONTON EVENTS

- 56 events confirmed totalling 41,888 contracted room nights, 28% increase over 2015, and producing \$10.3 million in visitor economy.
- Year one of Edmonton Marathon Growth Pilot Project achieved its goal in increasing race registration by 450 participants to 4,485, a 10% increase from 2015.
- Produced bid to secure the 2020 ITU World Triathlon Series Grand Final which will attract over 5,000 participants and spectators, and over 6,000 contracted room nights for a full economic impact of \$9.3 million.

ONLINE

- Referrals to industry up 29% to over 246,000
- Accommodations pageviews up 118%
- www.exploreedmonton.com visits up 50% to 1.45 million
- Reach up 97% to 6.9 million
- Instagram community growth up 126% to 44,000

2016: SELECTED HIGHLIGHTS

- Won the bid to host Professional Conference Management Association – Innovation Conference 2020.
- Showcased Edmonton to 450 of Canada's top Meeting Planners.
- Produced winning bid to secure the 2018 Volleyball Canada National Championships which will bring in 800 teams, 22,000 room nights for a visitor economy impact of \$5.4 million and economic impact of \$27 million.
- The You Think You Know Edmonton video suite had 10 new releases which garnered over 5.8 million views.
- Travel Trade saw 76 itinerary inclusions; Travel Trade began tracking group room nights and contributed 8,905 room nights in 2016.
- Media Quality Score for earned media nets 8.6/10
- Executed 18 Edmonton-led media visits; Reached over 40 million in articles directly influenced by the team.
- Canadian Geographic Travel featured Winter City Edmonton on the front cover of their 2016–2017 edition, estimated reach of 1.2 million.

“As a major contributor, Nova Hotels is an active and supportive member of EDMH and its effort to position Edmonton as a preferred destination. The EDMH program is a prime example of when private industry and key stakeholders work collaboratively towards a common goal especially during these tough economic times.”

**Aleksa Mrdjenvich,
President, Nova Hotels**

2016 EDMONTON TOURISM RESULTS

Visitor Economy	\$18.8 MILLION
Room Nights	78,707
Website Sessions	1.1 MILLION
Social Media	4 MILLION <i>organic reach</i>
New Itineraries featuring Edmonton	42
Media	8 OUT OF 10 QUALITY SCORE
Earned Travel Media Value	\$6 MILLION

2016 CHANGES



ROGERS PLACE

Rogers Place opened in September 2016 with a high profile debut. Bob Nicholson, Chief Executive Officer and Vice-Chairman of the Oilers Entertainment Group said that the remainder of that year had less than a dozen 'dark' nights.



CFR

CFR (Canadian Finals Rodeo) officially both left Edmonton and then returned back to Edmonton in 2016.



Meeting Planner Research - Destination Selection & Trends


Executed for Edmonton Destination Marketing Hotels

Friday, June 24, 2016



RESEARCH

More research was commissioned by the EDMH on the behalf of our members, specifically on which motivators help planners decide on Meeting & Convention locations.



Edmonton Advantage Program Terms of Reference

Intent:
The intent of the Edmonton Advantage (EA) Program is to be a tool for Edmonton Tourism's Meetings & Conventions Division (M&C) related to Edmonton Tourism to increase the opportunity for its stakeholders to secure group business into the Edmonton region. Edmonton Tourism will take the lead on all applicable bookings.

Participation:
All EDMH participating hotels in good standing (here after referred to as hotels) as well as the Shaw Conference Centre and Edmonton 1000 Centre at Northlands Park (hereafter referred to as anchor venues) are able to participate in this program.

Program Structure:
The EA program consists of two components: Standard and Sponsorship support.

Standard Support:
Standard support denotes that Edmonton Tourism has received a Request for Proposal (RFP) from an organization looking to book a meeting, conference or event (hereafter referred to as program) that clearly states that for Edmonton to be considered for said program Financial IncentiveSM will be required. Should an organization fall into this category as determined by Edmonton Tourism, the criteria are as follows:

- An Organization will submit a written request for financial support to Edmonton Tourism as part of their RFP.
- New and repeat programs will be considered for the EA.
- EA is not available for existing contracted business.
- Utilizing a minimum of three hundred (300) room nights on peak utilizing minimum two (2) hotels for two (2) nights or minimum six hundred and fifty (650) room nights total utilizing minimum two (2) hotels.

Sponsorship Support:
Sponsorship support denotes Edmonton Tourism has determined that the EA as outlined under Standard support does not provide sufficient financial support to meet the minimum bid requirements as outlined within their RFP. In order to qualify for Sponsorship support the following criteria applies:

- An Organization will submit a written request for financial support to Edmonton Tourism as part of their RFP.
- New and repeat programs will be considered for the EA.
- EA is not available for existing contracted business.

Stakeholder:
The EA is a "pay to play" program. The stakeholder (hotel and/or anchor venue) role in this program is as follows:

Standard Support Criteria:

- Must be an active EDMH participating hotel in good standing.
- Must provide accurate program information (i.e. proposal, contract, addendum and more principal) at all times to Edmonton Tourism to a single function.
- A rebate of 30% of the confirmed daily room rate will be offered to the program organizer based on a sliding scale of applicable contracted and non-contracted participants.
- The EDMH participating hotel does not pay the rebate amount directly. This amount is provided to Edmonton Tourism by the EDMH as an annual lump sum and is utilized to fund the obligations set forth with the EA Agreement provided by Edmonton Tourism.

Repeat Meeting Space Usage:

- A 25% discount off the gross meeting space rental will be provided by the host venue to the organizer.
- The Host Venue discount is not a cash contribution to the EA.
- Programs are attached Agreement A for a detailed breakdown of the above related contributions.

Reporting:
The EDMH will receive annual reporting of actualized, definite and tentative EA commitments.

1. Financial support requests must be clearly stated in the RFP to Edmonton Tourism in the initial lead sheet and program information. Financial support may include but are not limited to items such as: Complimentary or reduced cost for meeting space, Complimentary opening or closing reception or complimentary transportation to host meeting venue.

EDMONTON ADVANTAGE

Ongoing review of the Edmonton Advantage, as part of the Collaborative Meeting & Convention Committees work to establish supportable M&C costs of acquisition and maximize effectiveness of sales.

DOWNTOWN

exploreedmonton.com/downtown

TOTAL LANDING PAGE VISITS

Jan 1, 2016 – Dec 31, 2016

32,356

AVERAGE TIME ON ACCOMMODATIONS PAGE

Jan 1, 2016 – Dec 31, 2016

**3.23
MINUTES**



Garrett Turta and Richard Wong
Representing board members, Downtown

LEISURE

PROMOTIONAL CAMPAIGN / Two Flights

Campaign focused on driving conversions with simple, direct creative messages.

Call To Action: exploreedmonton.com/downtown

TWO FLIGHTS:
Feb 22 – May 22 and
Sep 15 – Nov 15, 2016

Impressions **7,330,900**

Clicks **25,031**

Average CTR **0.37%**

Conversions **392**



DOWNTOWN DINING WEEK CAMPAIGN

/Feb 19 – Mar 4, 2016

Social media promotion with contest to drive webpage visitation and email opt-ins.

Call To Action:
Downtown Facebook Page and
exploreedmonton.com/downtown

100 Facebook 'Likes'

152 CASL-compliant emails

1223 Total click-throughs to contest page

795 Unique visits to Downtown landing page during cmpn.



HOLIDAY CAMPAIGN

/Nov 14–Dec 31, 2016

Campaign with experiential message to drive conversions over the holiday season.

Call To Action:
exploreedmonton.com/downtown and direct booking link for Downtown

6,011,510 Impressions

25,473 Clicks

0.42% Average CTR

120 Conversions

SILVERSKATE RETARGETING /Jan 12–Feb 19, 2016

Retargeting campaign with festival message to leverage Edmonton Tourism event ads and promote conversions.

Call To Action: exploreedmonton.com/downtown

Impressions **1,500,543**

Clicks **2,853**

Average CTR **0.19%**



DEEP FREEZE RETARGETING

/Nov 27, 2016–Jan 10, 2017

Retargeting sponsorship to leverage Edmonton Tourism event ads and promote conversions.

Call To Action:
exploreedmonton.com/downtown

Clicks **745**

Referrals from Deep Freeze site **51**

MEETINGS & CONVENTIONS SALES ACTIVITIES

SALES MISSIONS EVENTS

VANCOUVER /Sep 7

TORONTO /Sep 19

OTTAWA /Sep 21

Partnered with Southside and Edmonton Tourism to take Edmonton on the road. Hosting clients to an Edmonton fashion experience with entrepreneur and Edmonton-advocate, Kendall Barber of Poppy Barley.

TRADESHOWS

PCMA 1 Reps

TÊTE À TÊTE 2 Reps

ASAE ANNUAL CONFERENCE 1 Rep

INCENTIVEWORKS 2 Reps

EXPERIENTIAL FAM EVENTS

DINNER RECEPTION

Tzin

SOUTHSIDE

exploreedmonton.com/southside

TOTAL LANDING PAGE VISITS

Jan 1, 2016–Dec 31, 2016

37,591

AVERAGE TIME ON ACCOMMODATIONS PAGE

Jan 1, 2016–Dec 31, 2016

**4.25
MINUTES**



Dawn Li and Karen Naylor
Representing board members, Southside

LEISURE

**BIG BOX OR BOUTIQUE?
GREEN SPACES OR URBAN EXPERIENCES?
DINING OUT OR ROOM SERVICE?
HAVE IT ALL.**

Eclectify
YOUR STAY.



PROMOTIONAL CAMPAIGN

Two Flights:
Feb 22–May 22 and
Sep 15–Nov 15, 2016

Campaign focused on driving conversions with simple, direct creative messages.

Call To Action:
exploreedmonton.com/southside

6,744,299 Impressions

21,242 Clicks

0.31% Average CTR

315 Conversions



SILVERSKATE RETARGETING

/Jan 12–Feb 19, 2016

Retargeting campaign with festival message to leverage Edmonton Tourism event ads and promote conversions.

Call To Action:
exploreedmonton.com/southside

Impressions **1,387,777**

Clicks **3,338**

Average CTR **0.24%**



HOLIDAY CAMPAIGN /Nov 14–Dec 31, 2016

Campaign promoting gift card offer to drive conversions during the holiday period.

Call To Action: Campaign deals page on exploreedmonton.com

Impressions	6,011,510
Clicks	24,457
Average CTR	0.51%
Conversions	103
Visits to Deals Page	15,042 TOTAL 13,078 UNIQUE
Avg. time on Deals Page	0:07:39

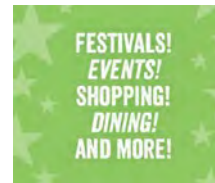


317,103	Impressions
1602	Clicks
0.51%	Average CTR

ANGRY BIRDS RETARGETING /Oct 24–Dec 30, 2016

Retargeting campaign with Angry Birds creative message to leverage Edmonton Tourism event ads and promote conversions.

Call To Action: exploreedmonton.com/southside and direct booking widget



FRINGE FESTIVAL RETARGETING

/Jul 8–Aug 9, 2016

Retargeting campaign with summer festival message to leverage Edmonton Tourism event ads and promote conversions.

Call To Action: exploreedmonton.com/southside

Impressions	228,448
Clicks	1,149
Average CTR	0.50%

MEETINGS & CONVENTIONS SALES ACTIVITIES

SALES MISSIONS EVENTS

- VANCOUVER** /Sep 7
- TORONTO** /Sep 19
- OTTAWA** /Sep 21

Partnered with Downtown and Edmonton Tourism to take Edmonton on the road. Hosting clients to an Edmonton fashion experience with entrepreneur and Edmonton-advocate, Kendall Barber of Poppy Barley.

TRADESHOWS

- PCMA** 1 Rep
- TÊTE À TÊTE** 2 Reps
- SPRINGTIME IN WASHINGTON** 1 Rep
- INCENTIVEWORKS** 2 Reps

EXPERIENTIAL FAM EVENTS

- RUSTIC LONG-TABLE DINNER**
- Fort Edmonton Park

WESTEND

exploreedmonton.com/westend

TOTAL LANDING PAGE VISITS

Jan 1, 2016–Dec 31, 2016

24,265

AVERAGE TIME ON ACCOMMODATIONS PAGE

Jan 1, 2016–Dec 31, 2016

**3.27
MINUTES**



Grant McCurdy and George Marine
Representing board members, Westend



LEISURE



PROMOTIONAL CAMPAIGN

Two Flights:
Feb 22–May 22 and
Sep 15–Nov 15, 2016

Campaign focused on driving conversions with simple, direct creative messages.

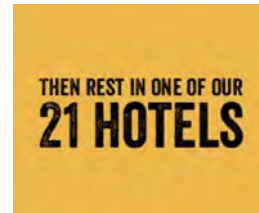
Call To Action:
exploreedmonton.com/westend

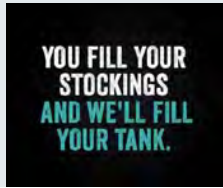
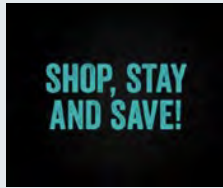
Impressions **5,855,368**

Clicks **21,747**

Average CTR **0.35%**

Conversions **234**





SHOP, STAY AND SAVE HOLIDAY CAMPAIGN

/Nov 14–Dec 31, 2016

Campaign promoting gas card offer to drive conversions during the holiday period.

Call To Action: [campaign deals page](#)

Impressions	6,186,618	Visits to Deals Page	13,277 TOTAL
Clicks	22,415		11,547 UNIQUE
Average CTR	0.36%	Avg. time on Deals Page	0:05:29
Conversions	127		

SHERLOCK HOLMES RETARGETING /Mar 18–Jun 30, 2016

Campaign promoting discount coupon offer to drive conversions during the run of the exhibit.

Call To Action: [Campaign deals page on exploreedmonton.com](#)



Impressions	585,693
Clicks	1,970
Average CTR	0.34%
Conversions (packages sold)	140
Visits to Deals Page	3,148 TOTAL
	2,889 UNIQUE
Avg. time on Deals Page	0:03:11



EDMONTON AIRSHOW RETARGETING

/Jul 6–Aug 6, 2016

Retargeting campaign with discount ticket offer to leverage Edmonton Tourism event ads and drive conversions.

Call To Action: [exploreedmonton.com/westend](#)

Impressions	574,208
Clicks	3018
Average CTR	0.53%

MEETINGS & CONVENTIONS SALES ACTIVITIES

TRADESHOWS

- TÊTE À TÊTE** 2 Reps
- INCENTIVEWORKS** 2 Reps

EXPERIENTIAL FAM EVENT

- OUTDOOR LUNCH**
- Outdoor lunch at the Edmonton AirShow including private tour and performances.

ALL CLUSTERS UNITE

**BOOK A HOTEL.
ENTER TO WIN A SUPERFAN EXPERIENCE.**

ALL*ACCESS Summer CONTEST

EDMONTON DOWNTOWN

**BOOK A HOTEL.
ENTER TO WIN A FOODIE EXPERIENCE.**

ALL*ACCESS Summer CONTEST

EDMONTON SOUTHSIDE

**BOOK A HOTEL.
ENTER TO WIN A HIGH ROLLER EXPERIENCE.**

ALL*ACCESS Summer CONTEST

EDMONTON WESTEND

Downtown, Southside & Westend
ALL ACCESS CAMPAIGN

/Jun 20–Sep 5, 2016

Cluster partnership campaign to promote the compelling activities and attractions in clusters through contest, and encourage bookings as next step through embedded widget.

Call to action:
allaccesssummer.com

“Check Availability” clicks: **650**

188 CONVERSIONS
(253 total tracked through Jack Rabbit)

DOWNTOWN RESULTS

Impressions **6,084,314**
Clicks **32,475**
CTR: **0.53%**
Conversions **79**

SOUTHSIDE RESULTS

Impressions **6,043,247**
Clicks **30,711**
CTR **0.51%**
Conversions **55**

WESTEND RESULTS

Impressions **3,444,653**
Clicks **15,100**
CTR **0.44%**
Conversions **54**



Downtown, Southside & Westend
ESKIMOS CAMPAIGN

/Jun 8–Nov 5, 2016

Campaign promoting discounted Eskimos ticket offer to drive conversions.

Call to action:
Campaign deals page on exploredmonton.com

Deals Page Visits 14,622 UNIQUE / 19,241 TOTAL	Avg. Time on Deals Page 0:03:31
--	---

DOWNTOWN RESULTS

Impressions **2,411,708**
Clicks **9202** / CTR **0.38%**
Conversions **14**

SOUTHSIDE RESULTS

Impressions **2,463,113**
Clicks **8736** / CTR **0.35%**
Conversions **19**

WESTEND RESULTS

Impressions **2,418,013**
Clicks **8009** / CTR **0.33%**
Conversions **16**

**INDEPENDENT
AUDITOR'S
REPORT**

**EDMONTON
DESTINATION
MARKETING
HOTELS LTD.**

**FINANCIAL
INFORMATION**
December 31, 2016

MANAGEMENT'S RESPONSIBILITY

To the Members of Edmonton
Destination Marketing Hotels Ltd.:

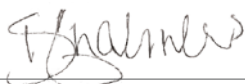
Management is responsible for the preparation and presentation of the accompanying financial information, including responsibility for significant accounting judgments and estimates in accordance with its Articles of Association. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial information, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial information.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial information and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 13, 2017



Executive Director

**TO THE MEMBERS OF EDMONTON
DESTINATION MARKETING HOTELS LTD.**

We have audited the accompanying financial information of Edmonton Destination Marketing Hotels Ltd., which comprise the statement of financial position as at December 31, 2016, and the statements of revenue, expenses and surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. This financial information has been prepared using the basis of accounting disclosed in Note 2 to the financial information.

**Management's Responsibility
for the Financial Information**

Management is responsible for the preparation and fair presentation of this financial information in accordance with its Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information present fairly, in all material respects, the financial position of Edmonton Destination Marketing Hotels Ltd. as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting disclosed in Note 2 to the financial information.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial information, which describes the basis of accounting. This financial information, which has not been, and was not intended to be, prepared in accordance with Canadian accounting standards for not-for-profit organizations, is solely for the information and use of the members of Edmonton Destination Marketing Hotels Ltd. As a result, the financial information may not be suitable for another purpose. The financial information is not intended to be and should not be used by anyone other than specified users or for any other purpose..

Edmonton, Alberta
March 13, 2017

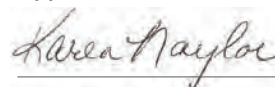
MNP LLP
Chartered Professional
Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash & Cash Equivalents <i>(Note 4)</i>	9,186,844	11,100,669
Accounts receivable	769,979	686,453
Prepaid expenses	-	975
	9,956,823	11,788,097
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals	72,827	1,248,958
Deferred revenue <i>(Note 3)</i>	9,355,386	10,081,720
	9,428,213	11,330,678
Reserve <i>(Note 4)</i>	300,000	300,000
	9,728,213	11,630,678
NET ASSETS		
Share capital <i>(Note 5)</i>	8,880	8,375
Surplus	219,730	149,044
	228,610	157,419
	9,956,823	11,788,097

Approved on behalf of the Board



Karen Naylor, Director



Garrett Turta, Director

STATEMENT OF REVENUE AND EXPENSES AND SURPLUS

For the year ended December 31, 2016

	2016	2015
REVENUE		
Deferred revenue recognized <i>(Note 1), (Note 3)</i>	7,493,021	7,759,649
Interest income	70,686	66,565
	7,563,707	7,826,214
DIRECT EXPENSES		
Promotional sponsorship	6,039,613	5,931,760
Advertising media purchase	983,709	1,141,491
Tradeshows	37,900	38,950
Familiarization tour events	31,689	68,485
Website	12,009	112
Outside Services	9,295	154,638
Promotional materials	5,256	62,590
Graphic design/production	3,585	5,474
Entertaining	1,456	1,167
	7,124,512	7,404,667
EXCESS OF REVENUE OVER DIRECT EXPENSES	439,195	421,547
OPERATING EXPENSES		
Office and administration	274,700	278,004
Trustee fees	50,000	30,000
Professional fees	15,400	15,540
Board and Committee expenses	10,622	9,977
Legal fees	10,193	16,166
Bank charges and interest	7,521	4,898
Postage	73	396
	368,509	354,981
EXCESS OF REVENUE OVER EXPENSES	70,686	66,566
SURPLUS – BEGINNING OF YEAR	149,044	82,478
SURPLUS – END OF YEAR	219,730	149,044

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

	2016	2015
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenses	70,686	66,566
CHANGES IN WORKING CAPITAL ACCOUNTS		
Accounts receivable	(83,526)	162,155
Prepaid expenses	975	99,995
Accounts payable and accruals	(1,176,131)	140,208
Deferred revenue	(726,334)	(576,622)
	(1,914,330)	(107,698)
FINANCING		
Issuance of share capital	505	993
Redemption of share capital	-	(349)
	505	644
DECREASE IN CASH RESOURCES	(1,913,825)	(107,054)
CASH RESOURCES – BEGINNING OF YEAR	11,100,669	11,207,723
CASH RESOURCES – END OF YEAR	9,186,844	11,100,669

NOTES TO THE FINANCIAL INFORMATION

For the year ended December 31, 2016

1. INCORPORATION AND NATURE OF THE ORGANIZATION

Edmonton Destination Marketing Hotels Ltd. (the "Organization") is a company limited by shares incorporated on October 23, 2012 under Part 9 of the Companies Act in the province of Alberta. The Organization was formed to continue similar activities of Edmonton Destination Marketing Fund (the "Fund") (a program administered and managed by Edmonton Economic Development Corporation) and is a subsequent program of the Fund under section 5.4 of the Destination Marketing Agreement between Edmonton Economic Development Corporation and participating hotels.

The Organization receives contributions through its members pursuant to its Amended Articles of Association, Amended Memorandum of Association and provincial funding. Before receiving shares of the Organization, a member executes a Subscription Agreement and covenants to pay the destination marketing fee. The funding is utilized by the Organization to offer services focused on the promotion of tourism through destination travel by tourists, conventions, events and delegate and business travel and film production within Edmonton. This promotion is done through advertising, public relations, media relations, sales, promotional activities, research and associated marketing. The Organization is maintained and operated under the direction of the Organization's Board of Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

This financial information has been prepared by management in accordance with Agreements between the Organization and its members as described in Note 1. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial information for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. This financial information has, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Cash and cash equivalents

Cash and cash equivalents include cash and cash held in high-interest accounts held with a broker.

Revenue recognition

The Organization records marketing fees, calculated in accordance with the Subscription Agreement, based on representations from the member hotels. Marketing fees received are recorded as deferred revenues until the monies are spent on marketing initiatives as outlined in the Subscription Agreement. The Organization recognizes all other revenue on the accrual basis.

Expenditures

The Organization contributes various amounts to projects as a part of its nature of operations. As the Organization does not have control on how this funding is used after commitment is established, amounts are expensed at the earlier of when the payment is made or the completion of the project.

3. DEFERRED REVENUE

Deferred revenue consists of unspent funds that the Fund is required to spend on marketing initiatives as outlined in the Destination Marketing Agreement. Changes in the deferred revenue balance are as follows:

	2016	2017
Balance, beginning of year	10,081,720	10,658,342
Marketing fees received during the year	6,766,687	7,183,027
Less: amounts recognized as revenue during the year	(7,493,021)	(7,759,649)
Balance, end of year	9,355,386	10,081,720

4. RESERVE

The Edmonton Destination Marketing Agreement requires a portion of the funds collected over a three-year term be setup as a reserve fund. The reserve fund is currently held as cash, which has been restricted for use upon the approval of the Board. The corresponding funds are presented as a non-current liability in the statement of financial position.

5. SHARE CAPITAL

The authorized capital of the Organization is as follows:

200 Class A common, voting shares without nominal or par value. The maximum price or consideration for which a Class A common share may be issued for is \$1.

10,000 Class B common, voting shares without nominal or par value. The maximum price or consideration for which a Class B common share may be issued for is \$1.

SHARE CAPITAL	Class A	Class B	2016	2015
Balance, beginning of year	49	8,326	8,375	7,731
Shares Issued	4	501	505	993
Shares redeemed	-	-	-	(349)
Balance, end of year	53	8,827	8,880	8,375

SCHEDULE OF REVENUE AND EXPENSES BY CLUSTER

For the year ended December 31, 2016

REVENUE	General	Downtown Cluster	Southside Cluster	Westend Cluster	2016 total	2015 total
Deferred revenue recognized	6,687,611	300,558	271,746	233,106	7,493,021	7,759,649
Interest income	70,686	-	-	-	70,686	66,565
	6,758,297	300,558	271,746	233,106	7,563,707	7,826,214
DIRECT EXPENSES						
Promotional sponsorship	5,823,774	86,029	53,022	76,788	6,039,613	5,931,760
Advertising media purchases	456,395	180,668	202,138	144,508	983,709	1,141,491
Tradeshows	7,740	11,933	9,322	8,905	37,900	38,950
Familiarization tour events	344	21,421	7,168	2,756	31,689	68,485
Website	12,009	-	-	-	12,009	112
Outside services	9,295	-	-	-	9,295	154,638
Promotional materials	5,251	-	5	-	5,256	62,590
Graphic design/production	3,585	-	-	-	3,585	5,474
Entertaining	1,451	-	5	-	1,456	1,167
	6,319,844	300,051	271,660	232,957	7,124,512	7,404,667
EXCESS OF REVENUE OVER DIRECT EXPENSES	438,453	507	86	149	439,195	421,547
OPERATING EXPENSES	367,767	507	86	149	368,509	354,982
EXCESS OF REVENUE OVER EXPENSES	70,686	-	-	-	70,686	66,565
DEFERRED REVENUE - BEGINNING OF YEAR	8,542,369	660,000	384,273	495,078	10,081,720	10,658,342
DEFERRED REVENUE - END OF YEAR	7,944,776	617,384	310,793	482,433	9,355,386	10,081,720

LOOKING TOWARDS 2017

Projected Total 2017 Budget	6,696,524.64
Enterprise Portion	6,026,872.18
Forecasted Total 2017 EDMH Revenues	6,696,524.64
Less 10% to Clusters	669,652.45
Total Enterprise Budget (following)	6,026,872.18
SPONSORSHIP/INVESTMENTS	2017 (\$)
Edmonton Tourism – Opportunity Funds + Program	4,260,000.00
MetaSearch	110,100.00
Northlands	250,000.00
Edmonton International Airport	250,000.00
OEG	500,000.00
Contingency Fund	250,000.00
SPONSORSHIP BUDGET	5,620,100.00
INITIATIVES	
IMPACT/Board networking events	4,000.00
Membership Initiatives (incl. continued experiential photography/packaging/etc.)	1,200.00
Edmonton Certified & Cluster HQ Support (mileage/parking/AV rental/F&B for meetings, etc.)	500.00
EDMH Enterprise campaigns on VFR Edmonton Facebook site;	5,000.00
Travel Alberta Conference; Travel Alberta Calgary meetings (2); AHLA Conference; HAC – staff & Board Chair	6,000.00
Subscriptions & Memberships	3,000.00
AGM & Annual Report	3,300.00
Giveaways	1,000.00
Board & Staff entertaining	2,000.00
Check-in/Jack Rabbit booking engine – ET Website to EDMH Hotels	18,000.00
Research; Google Ad Campaigns; Survey Monkey	-
Committee, Board retreat, Board functions & gifts	9,500.00
INITIATIVES BUDGET:	53,500.00

OPERATIONAL BUDGET	2017 (\$)
AHLA – cheques/stamps/courier. Laptops/cell/ office equipment. Staff salaries & benefits. Stationary/board & staff business cards	232,550.00
Year End Financial Audit	14,500.00
Storage unit	2,015.00
Staff – local Travel Exp/Expenses	5,500.00
AHLA Trustee Fee	50,000.00
AHLA – office rental	30,000.00
AHLA – bank fees	1,500.00
PKF Report	1,200.00
Legal Fees	10,000.00
Insurances (board & tenant)	6,000.00
OPERATIONAL BUDGET:	353,265.00
TOTAL PROJECTED 2017 ENTERPRISE BUDGET	6,026,865.00
TOTAL TO CLUSTERS	669,652.47
TOTAL PROJECTED 2017 COMBINED ACTIVE BUDGETS	6,696,517.47
PROJECTED BUDGET BY CLUSTER	
Downtown	251,591.09
Southside	190,846.92
Westend	227,214.46

Edmonton Tourism funding of \$4,260,000.00 includes the 2017 Events & Meeting & Conventions Opportunity Fund commitments of \$2,349,839.00

CBRE 2017 PROJECTIONS:

	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2016-17 Change
Occupancy	69%	63%	59%	56%	(3.0pt)
ADR	\$134	\$136	\$130	\$128	(1.5%)
RevPAR	\$93	\$86	\$77	\$72	(6.5%)

2017 ISSUES AND OPPORTUNITIES

The largest looming threat on the 2017 horizon is a possible selective Municipal Hotel Tax. This would be focused on Edmonton and Calgary as part of Alberta's Big City Charter transference of powers including taxation, but every city in Alberta will fight for this ability if indeed it is given to the two largest centres. The possibility of such taxation does not end at the Alberta borders, with major locations like Toronto buffering for the fight against adding another tax directed to the accommodation sector.

The biggest concern about such a tax being imposed on our members is the question as to where the money will be spent. At this stage we have not heard that it will be a Municipal *Tourism* Levy, so the dollars could go elsewhere. Even if the dollars are earmarked for Edmonton Tourism, we've seen at a provincial government level that the Tourism Levy has not fully gone to Travel Alberta & Alberta Parks & Recreation for years. A recent example is the 2014 revenue generated by the Tourism Levy – which was to be spent in 2016-2017. The \$87 million generated by the *Tourism* Levy was allocated:

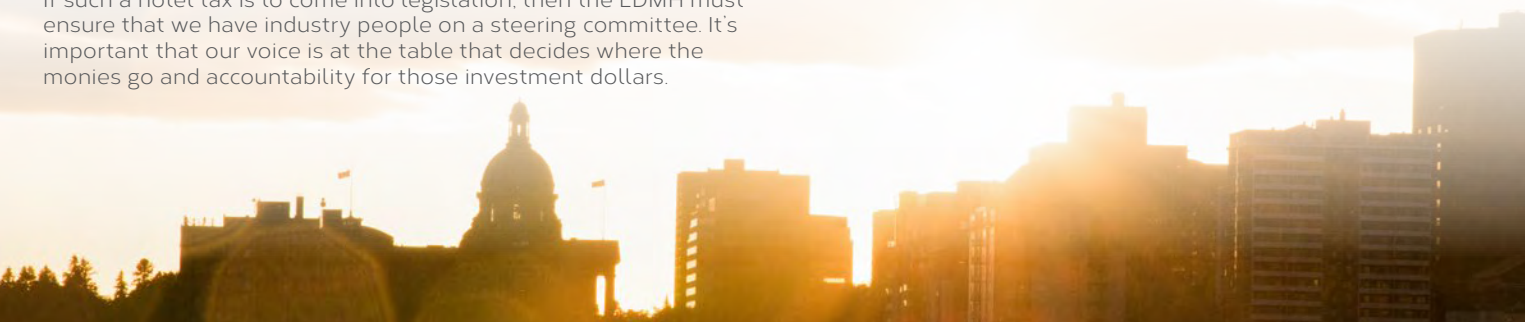
\$49.5 million to Travel Alberta and
+ \$11.5 million to Tourism, Parks & Recreation
= \$26 million stayed in general revenues.

If such a hotel tax is to come into legislation, then the EDMH must ensure that we have industry people on a steering committee. It's important that our voice is at the table that decides where the monies go and accountability for those investment dollars.

2017 will also be the first operating year with significant increases to our members operations costs. As of January 1st, 2017, the Carbon Levy was imposed, which hits your bottom line along with the annual 3-year increase (starting in October, 2016) of the Minimum Wage. Combined with new hotel inventory coming online, we expect that 2017 will not see any positive growth for our full membership, which sadly is echoed in CBRE projections.

In 2017 the major focus of EDMH funds will, as always, go to supporting Edmonton Tourism. The board is also working to create a Memorandum of Understanding (MOU) with Tourism to ensure that both sides have clear partnership objectives and responsibilities. Other major investment dollars are going to the Canadian Finals Rodeo/Northlands, the Oilers Entertainment Group and Edmonton International Airport. The board is also ensuring there are contingency funds to enable response to any last-minute opportunity.

The Cluster Marketing Campaigns, for the second year in a row will focus their objectives in driving conversion, and utilizing the shortest possible path to purchase. Although marketing initiatives still aim to 'fill the funnel', making more people aware of Edmonton – one of the primary requirements for all campaigns is to drive room nights to our hotels.



“ The EDMH has been an integral part of the hospitality industry since its inception. We are proud to be working closely with EDMH in promoting Edmonton as a key destination for leisure as well as corporate meetings. With the EDMH's vision, I'm confident that we will be seeing many more key events happening in Edmonton which will in turn support the hospitality industry.”

Renjith Vengalil, General Manager, Edmonton Marriott at the River Cree Resort



“ It’s been my honour to serve as the Chairman of the EDMH for these past two years. These have been some of Alberta’s most turbulent times on record. With that, the EDMH still out-paced both non-EDMH Edmonton hotels and our closest neighbour – Calgary. Edmonton’s economy is not where it was two years ago, but we’re cautiously optimistic that we’re near the bottom, and the climb back can begin.

I congratulate all EDMH members for having the vision to recognize that together we’re stronger, and truly we are greater than the sum of our parts. And I thank the many who have contributed their time and experience to make this a better organization, most specifically the Board of 2016.”

Grant McCurdy, General Manager
DoubleTree by Hilton & Home2 Suites by Hilton



EDMONTON DESTINATION MARKETING HOTELS LTD.

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Edmonton, Alberta
T6X 0P7

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