

Purpose

- The Study Mission is a business immersion program, dedicated to broadening the participants' horizons while promoting business and political relations between countries or regions.
- Each Mission is focused on a key topic such as agri-tourism.
- Destination sites with similar experiences to share are selected to glean their past solutions and best-known-methods to Key challenges.

Who Attended?

- 4 Counties including El Dorado, Sacramento, San Joaquin, and Calaveras Counties.
- 5 cities including Placerville, Folsom, Lodi, San Andreas, and Sacramento.
- 4 Members from the Placerville City Council
- 3 Members from the El Dorado County Chamber of Commerce
- 12 Members of the Ag Community including EDWA, Apple Hill, Farm Bureau, Farm Trails
- Representatives of EID, the County Planning Commission, Folsom Lake College, PGE, AT&T, El Dorado County Transit and Transportation

Why Kelowna?

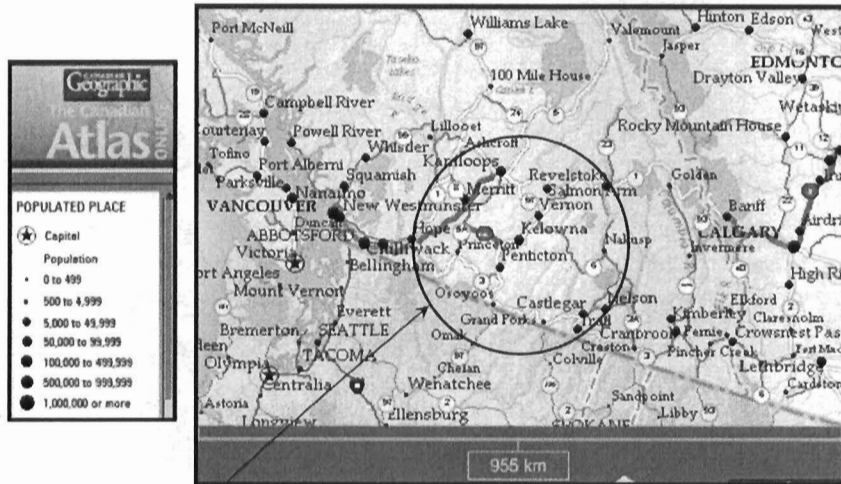
Kelowna/ Okanagan Valley Region

- Population ≈ 175,000
- Agri-tourism including ranch marketing & wineries
- Recreation including swimming, dinner cruises, boat rentals, shopping, golf
- Arts & Culture
- Historical area
- Casino
- A somewhat lesser-known Gold Rush

El Dorado County

- County Population ≈ 179,000
- Agri-tourism including ranch marketing & wineries
- Recreation including swimming, dinner cruises, boat rentals, shopping, golf
- Arts & Culture
- Historical area
- Casino (in progress)
- An historic Gold Rush

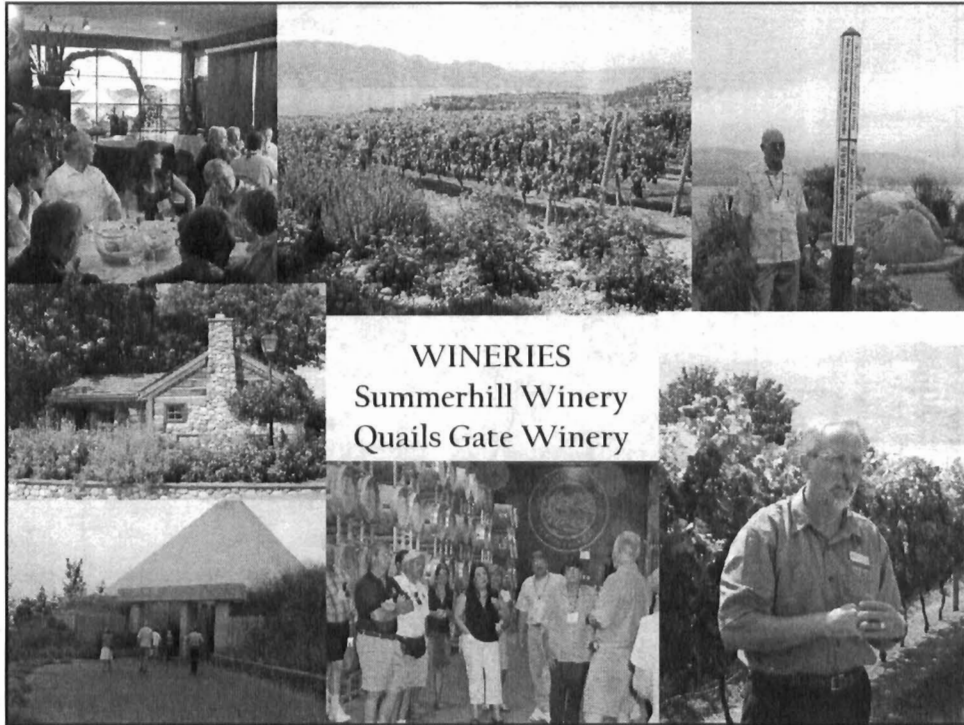
Where is Kelowna?



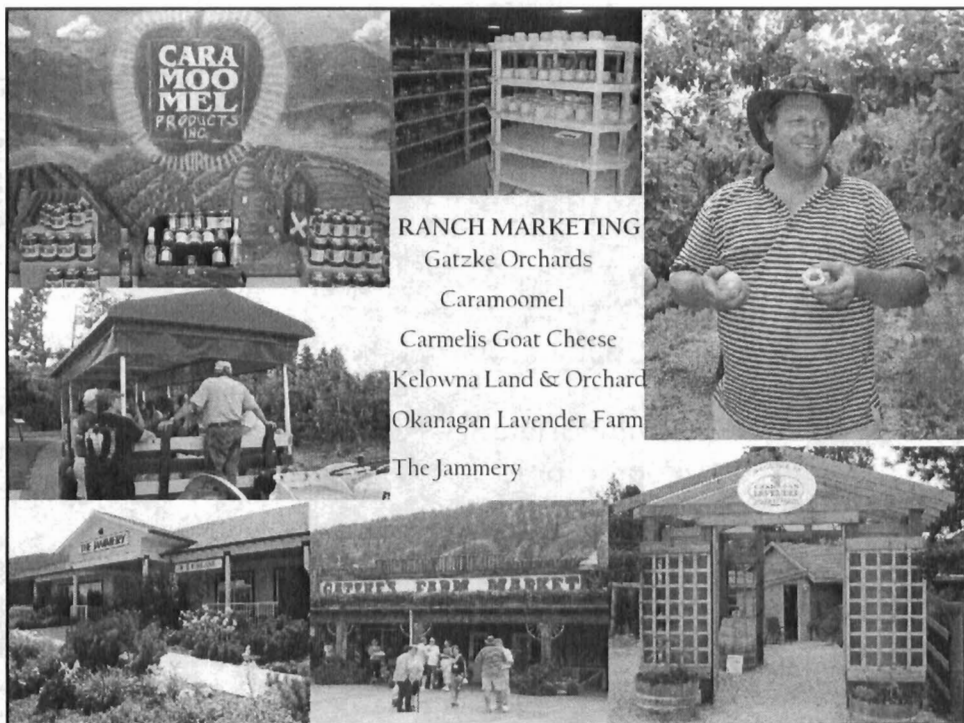
This circle has a radius of about 100 miles (165 km)

Kelowna Study Mission Speakers

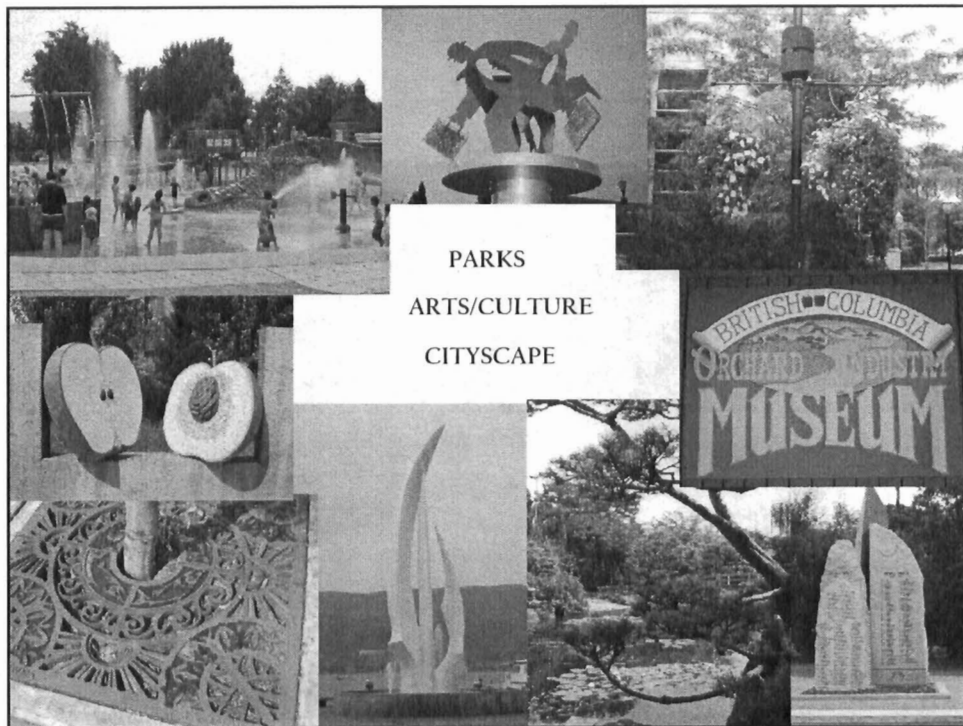
- **The Honorable Mayor of Kelowna** - Sharon Sheperd
- **Marketing Consultant** – Blair Baldwin
- **Travel Trade for Kelowna Tourism** – Joan Niemeier
- **Water Agency Consultant** – Denis A. Davis
- **CEO Kelowna Chamber of Commerce** – Weldon LeBlanc
- **Manager of Transportation** – Ron Westlake
- **Executive Director for Economic Development** – Robert Fine
- **Agricultural Support Officer for Central Okanagan Regional District** – Keith Duhaime
- **General Manager for Tourism Kelowna** – Nancy Cameron



WINERIES
 Summerhill Winery
 Quails Gate Winery



RANCH MARKETING
 Gatzke Orchards
 Caramoomel
 Carmelis Goat Cheese
 Kelowna Land & Orchard
 Okanagan Lavender Farm
 The Jammery



PARKS
ARTS/CULTURE
CITYSCAPE

Common Challenges

- Land Use Challenges
 - In Kelowna, 43% of all land has been placed in an Ag Preserve, intended only for agricultural use
 - Currently only 11% of non-Ag land remaining and available for use/development
 - Increasing pressure from people willing to buy 10 acres in Ag Preserve, and take it out of production or create hobby farm
 - Current Ag land value is \$100,000/acre while current farm viability is \$60,000/acre

Water

- Perception that Kelowna is water rich due to the presence of Lake Okanagan
 - In reality, the area is semi-arid, with about 12 inches of rain per year
- Lake Okanagan receives enough runoff to raise the lake level 4-5 feet each year (if runoff were allowed to reach the lake)
 - 90% of tributaries are fully allocated
 - 80% of ranch/farm irrigation from small reservoirs in mountains
- Increased pressure on the existing water supply from increasing population and climate change

"Water for all new development will need to come out of conservation"

Labor

- Housing is too expensive for the work force
 - Upward pressure on housing prices due to large retirement population and 2nd home population moving into the area
 - Average new home is \$600,000 – average existing home is \$500,000
- Can't find skilled workers in \$11.50 range, fast food pays \$25,000
- Labor force supplemented by aggressive foreign guest worker program
- Unemployment rate at 4-5%

"Trespassers will be hired"

Building Kelowna's Economy

- **Build quality from what exists**
 - 70% of new business growth will come from existing businesses
- **To offset labor shortages, actively recruiting foreign labor force**
- **Enhanced, relevant training programs at the local community college**

Ag Tourism - Acting with a Common Purpose

- All layers of community, including government, are working together for a common cause
- Maintenance of the rural character of Kelowna is a key to success
 - 85% of population supports land use policies and the continuance of ag character of area
- Increasing tourism is a common goal
- Recognition that Ag Tourism/tourism is an economic engine
 - Switching from commodity-based Ag products to an "experienced-based/education-based" product
 - Recognition of the need to expand their tourist season to year-round, filling in the shoulder seasons
- Recognition that all sectors (Ag, value-added Ag products, Art & Culture, lodging, sports recreation) are important to each other and they are working as partners

Kelowna is an Arts & Cultural Center

- Kelowna is more than just agri-tourism
- The region has quantified the contribution of arts and culture to the area's economy (and it is a lot more than anyone realized)
- As a result, the region works together, through the Okanagan Cultural Corridor, to raise funds, create performing space and public art, and sponsor events

A Sampling of Kelowna Cultural Events/Organizations



• Chamber Music Kelowna



• Creekside Theatre



• Expression Performing Art



• The Life and Arts Festival

• Parks Alive



• Dancing Horse Command Performances



• Kelowna Community Theatre



• Mary Irwin Theatre



• Mozart Festival Kelowna

Kelowna is also a Center for "Events" Tourism

- A sampling of events held during August 2007 (from the Tourism Kelowna website)
 - **Jul-Aug Parks Alive!**
Enjoy free music throughout the summer several times a week!
 - **Aug 1-3 Shakespeare Kelowna - Much Ado About Nothing**
 - **Aug 2-4 Hello Dolly Presented by Kelowna Actors Studio**
 - **Aug 8 Kids Market Day Presented by Kelowna Farmers' and Crafters' Market**
 - **Aug 11 DKA Mardi Gras Street Festival**
 - **Aug 15 Snowbirds Fly for CHILD, Kelowna**
 - **Aug 17-25 Miss Saigon Presented by Viva Musica**
 - **Aug 18-19 24th Annual Apple Triathlon**

Agri-Tourism

- Strong community support for agriculture and an understanding of the challenges it faces.
- Competition for agricultural land: once it's gone, it can't be replaced.
- Seeing a decline in tree fruit planting and an increase in vineyards. Diversity is best and should be encouraged.
- Farmers recognize they have to both make a living and help maintain the area's quality of life.
- How do you save the family farm? Allow them to make a living. (Aim is not riches, but allowing succeeding generations to see a way to keep farming.)
- Growing demand for an educational experience for visitors; people want to know where their food comes from. What better way than to buy directly from the farmer?
 - *"Provide an experience for your customers and make sure to send them to your neighbors. They need to understand how much is available to them."*
 - *"Agriculture can be profitable if you are inventive. Farms must be allowed to make a living. A fruit stand alone cannot provide a living."*

Research

- Used to guide a Kelowna's approach to the development of tourism
 - Business Confidence Survey
 - Identified that the community had strong business confidence, except for Ag community
 - Identified strong support for Ag and an understanding of challenges that Ag faces
 - Identified rapidly aging population of Farmers – 75% will retire within 10 years
 - Identified that 20% of long-haul truckers are set to retire (impacting ability to product to market)

Marketing and Branding



?

KELOWNA

- Tourism Kelowna Marketing Investment (2006-2007) = \$2,127,811
- The largest revenue source is the 2% additional (self-assessed) hotel room tax, which is \$1,190,000 (55% of total marketing revenue)
- The largest allocation of marketing investment is to the leisure/independent travel market at over \$1 million, followed by leisure - travel - trade at \$275,000

EL DORADO COUNTY

- El Dorado County (excluding the Tahoe Basin) Marketing Investment (2006-2007) ≈ \$191,544
- The largest revenue source is the County investment, which is \$160,000 (83% of total marketing revenue)
- The largest expenditure is for advertisements in *Sunset* magazine at \$32,000 followed by *VIA* advertisement at \$22,000

What's Next?

- Suggestions from Study Mission Participants:
 - Advocate for a "Business Confidence Survey" (with at least an initial focus on the "health" of agriculture and agri-tourism)
 - Fund and perform a tourism cost-benefit study that quantifies the Return-on-Investment of tourism advertising
 - Work to create a community consensus and instill a cooperative spirit within the region, recognizing and valuing the sustainability of the natural and agricultural resources we have
 - Work to create the conditions that allow agriculture and agri-tourism (including related businesses) to sustain themselves and to flourish while respecting the rights and desires of their neighbors
 - Work with the City and County to establish a predictable and consistent level of funding dedicated to the support and promotion of tourism
 - Facilitate a reciprocal visit from representatives of Kelowna to our region

