



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE AGENDA

Monday, April 28, 2025 at 12:05 p.m.

Chair: Deputy Mayor B. Hendriksen,
Councillor S. Arden-Smith,
Councillor G. Cochrane,
Councillor R. Fequet,
Councillor C. McGurk,
Councillor T. McLennan,
Councillor S. Payne, and
Councillor R. Warburton.

<u>Item</u>	<u>Description</u>
1.	Opening Statement: The City of Yellowknife acknowledges that we are located in Chief Drygeese territory. From time immemorial, it has been the traditional land of the Yellowknives Dene First Nation. We respect the histories, languages, and cultures of all other Indigenous Peoples including the North Slave Métis, and all First Nations, Métis, and Inuit whose presence continues to enrich our vibrant community.
2.	Approval of the agenda.
3.	Disclosure of conflict of interest and the general nature thereof.
4.	A presentation from NTPC regarding Yellowknife Electricity Distribution.
ANNEX A	
5.	A memorandum regarding whether to: <ul style="list-style-type: none">(i) Establish a Tourist Accommodation Tax Reserve;(ii) Amend Financial Administration By-law No. 4206, as amended;(iii) Establish a Destination Marketing Advisory Committee;(iv) Enter in to a contract with Northwest Territories Tourism (NWTT) for the provision of destination marketing services;(v) Maintain operation of the Visitor Information Centre for the duration of the contract with NWTT.
6.	A discussion regarding vacant land.



<u>Item No.</u>	<u>Description</u>
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ADDITIONAL COUNCIL ITEMS

ANNEX B

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| 7. | A memorandum regarding whether to award the contract to construct Landfill Cell 3 to NWT Construction Ltd. in the amount \$8,090,917.00 (excluding GST). |
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IN CAMERA

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|----|--|
| 8. | A personnel matter. |
| 9. | Business arising from In Camera Session. |



CITY OF YELLOWKNIFE

MEMORANDUM TO COMMITTEE

COMMITTEE: Governance and Priorities

DATE: April 28, 2025

DEPARTMENT: Economic Opportunities & Investment

ISSUE: Whether to:

- (i) Establish a Tourist Accommodation Tax Reserve;
- (ii) Amend Financial Administration By-law No. 4206, as amended;
- (iii) Establish a Destination Marketing Advisory Committee;
- (iv) Enter in to a contract with Northwest Territories Tourism (NWTT) for the provision of destination marketing services;
- (v) Maintain operation of the Visitor Information Centre for the duration of the contract with NWTT.

RECOMMENDATION:

That Council:

- (i) Direct Administration to establish a Tourist Accommodation Tax Reserve;
- (ii) Adopt By-law No. XXXX, a by-law to amend Financial Administration By-law No. 4206, as amended;
- (iii) Direct Administration to establish a Destination Marketing Advisory Committee;
- (iv) Direct Administration to enter into a three (3) year service contract with Northwest Territories Tourism (NWTT) for the provision of destination marketing services; and
- (v) Direct Administration to maintain operation of the Visitor Information Center for the duration of the contract with Northwest Territories Tourism (NWTT).

BACKGROUND:

In 2018, the Government of the Northwest Territories adopted enabling legislation to allow municipalities to implement a tourist accommodation tax. In December 2024, the City adopted Tourist Accommodation Tax (TAT) By-law No. 5099 which required collection of a 4% levy as of April 1, 2025. The first quarterly remittance of the levy is not due until July 2025. While it was originally projected that a 4% levy could generate up to \$1.5 million dollars in revenue¹, Administration cannot accurately

¹ See <https://www.yktourism.ca/frequently-asked-questions#n-33>

determine the revenue that will actually be generated until at least a full year of funds have been remitted.

Funds generated by the TAT are required to be used to promote and develop tourism. It is crucial that the City maintains the funds in an accountable, transparent and responsible manner. It is also critical that the City establish a destination marketing organization that can carry out the duties as required.

COUNCIL STRATEGIC DIRECTION/RESOLUTION/POLICY:

Strategic Direction #3: Sustainable Future

Focus Area 3.3	<u>Robust Economy</u> Doing our part to stimulate and amplify economic development opportunities.
Key Initiative 3.3.1	Supporting all aspects of tourism and visitor services, including the accommodation levy and creation of the destination marketing organization.
Council Motion #0128-23	iii. That in 2024, \$100,000 from the General Fund balance be withdrawn and allocated to the startup and initial funding for the Destination Market Organization (DMO); and that once established, the Hotel Levy fees pay back the \$100,000 to the General Fund. If the Hotel Levy By-law and DMO do not receive Council approval, the \$100,000 remains in the General Fund balance.

APPLICABLE LEGISLATION, BY-LAWS, STUDIES, PLANS:

- 1. *Cities, Towns and Villages Act* S.N.W.T. 2003, c.22;
- 2. Tourist Accommodation Tax By-law No. 5099;
- 3. Financial Administration By-law No. 4206, as amended; and
- 4. Economic Development Strategy 2020-2024.

CONSIDERATIONS:

Territorial Legislation

(i) Levy

Section 70.3 of the *Cities, Towns and Villages Act* requires that the revenue collected from a tourist accommodation is only used for the purposes of supporting tourism initiatives, including the provision of visitor services and the promotion of the City as a tourist destination. Section 70.3(2) also permits the City to enter into an agreement with a non-profit organization for the exclusive purpose of promoting the municipality as a tourist destination.

(ii) Reserve

The *Cities, Towns and Villages Act* also requires that Reserves be established through by-law.

Financial Considerations

(i) DMO

Initial annual revenue projections were developed for the new accommodation levy and predicted revenue in the amount of \$1.5 million dollars annually. However, the first remittance is not due until July 2025 and Administration will not know the annual revenue generated by the levy until at least one year of remittance has concluded. Establishing a new non-profit society² that requires staff and office space will incur costs that will impact the levy revenue.

(ii) Reserve

Creating a separate reserve will provide more clarity on the revenue generation and disbursement of funds and does not impact operating and capital budgets.

(iii) Visitor Information Centre

The Visitor Information Centre receives funding through an annual budgetary allocation from Council and through a contribution agreement with the Government of the Northwest Territories.

Consultation

Administration has consulted with various stakeholders since adoption of the Tourist Accommodation Tax By-law regarding establishment of a DMO and operation of the VIC. Administration was encouraged to engage NWT to act as the destination marketing organization for Yellowknife to reduce costs and leverage existing resources. Discussions regarding continued operation of the VIC by the City in the short-term were also supported.

'Big Picture' Considerations

To optimize the economic activity generated by the tourism accommodation tax, Administration considered the following items in making the above-noted recommendations:

(i) DMO

DMOs have become the standard and best practice for promoting the tourism industry. DMOs provide a comprehensive approach to marketing, promotion, and destination development. DMOs take a leadership role in engaging with stakeholders to align on community-wide tourism goals and priorities that support economic and business strength and resilience, community values, and cultural depth and representation. Examples of activities undertaken by DMOs include:

- Attraction of meetings, conferences, and business events during spring and fall
- Marketing and sales partnerships with relevant Travel Trade partners to support in-market promotion in overseas markets
- Packaging and promotion of destination recreation, sports, arts, culture, culinary, wellness, learning & educational experiences
- Hosting of global media and social influencers in-market and in-destination
- Data and insights-driven digital marketing targeting leisure visitors with personalized messages matching customer interests with destination values and experiences during need periods
- Creation of original content, and sharing of user-generated content, through web, blog, social channels

² See [Organizing for Destination Marketing](#) (August 9, 2017)

- Collaboration and information sharing with tourism stakeholders and industry partners to grow knowledge and expertise; and engagement and advocacy with all levels of government to support tourism businesses and destination success

There are a number of viable options that could be used to create a DMO to develop and promote tourism in Yellowknife³:

- (a) Create a Not-for-Profit Society - The City could incorporate a not-for profit Society with its own mandate, Board of Directors and staff.
- (b) Existing Not-for-Profit Society - The City can enter into an agreement with an existing not-for-profit Society that has an established office and staff.

The need for strong, stable and secure funding to support consistent destination and market development is critical to a DMO's success. The visitor-generated tourist accommodation tax will provide funding to support investments into tourism programs and marketing of Yellowknife. However, the initial revenue generation won't be realized until July 2025, and the annual revenue generation won't be known until July 2026. To establish a new Not-for-Profit Society, there will be costs to hire staff and establish office space, enter markets, and develop partnerships. NWTT, the territorial DMO, is an existing Not-for-Profit that has existing staff and resources. They currently promote the Northwest Territories as a spectacular destination to visit, in partnership with Destination Canada, industry members, and other partners. They promote tourism locally, nationally and internationally and the City regularly partners with NWTT on initiatives that advance visitation. As such, Administration is recommending that the City enter into a three year contract with NWTT, a DMO with a proven track record, to perform the duties of a municipal DMO.

Similar to the manner in which the Tourism Marketing Advisory Committee provided strategic marketing direction to the GNWT and NWTT, the DMAC will provide strategic marketing advice to Council and NWTT on promoting Yellowknife as a destination. At the conclusion of the three year period, both the City and NWTT will be able to assess the effectiveness of the relationship and Administration can provide recommendations to Council on future operations.

(ii) VIC

The City has been operating the VIC since the Northern Frontier Visitors Association ceased operations in 2018. The VIC's current location brings thousands of visitors to the downtown. The VIC space is secured by a five year lease with an option to renew for a further five years. Currently, the City is looking at its assets overall and the most effective way to align corporate and resident needs. As such, Administration recommends maintaining operations in the current location. Furthermore, at the conclusion of the three year contract with NWTT, once the revenue generating potential of the tourist accommodation tax is known, it may be possible to combine the operations of a DMO and the VIC.

Timeline and Next Steps

- | | |
|----------------------------|---|
| (i) April 1, 2025 | Tourist Accommodation Tax By-law requires collection of 4% levy |
| (ii) April/May 2025 | DMAC created; Contract with NWTT |
| (iii) June 2025 | First meeting of DMAC |

³ See [Canadian Destination Marketing Organizations – Focus, Governance, Activities and Funding](#)

ALTERNATIVES TO RECOMMENDATION:

There are no viable alternatives.

RATIONALE:

In 2018, the GNWT adopted enabling legislation to provide authority under the *Cities, Towns and Villages Act* to permit municipalities to establish and collect a Tourist Accommodation Tax. The revenue generated must be used to promote and develop tourism.

ATTACHMENTS:

1. Tourist Accommodation Tax Reserve Policy (DM#792851); and
2. By-law No. XXXX, a by-law to amend Financial Administration By-law No. 4206, as amended (DM#792896)
3. Destination Marketing Advisory Committee (DM#792850)

Prepared: April 14, 2025; KLT/klt



CITY OF YELLOWKNIFE

Policy Title: **TOURIST ACCOMMODATION TAX USE OF FUNDS**
Approved By: **Council Motion #00XX-XX**
Effective Date: **Month XX, 20XX**

1 INTRODUCTION

The City of Yellowknife passed Tourist Accommodation Tax By-law No. 5099 on December 9, 2024. Collection of the levy commenced on April 1, 2025 and the funds collected from the Tourist Accommodation Tax (TAT) will be directed toward destination marketing initiatives.

2 PURPOSE

The purpose of this policy (the “Policy”) is to ensure that the revenue collected through the TAT is restricted and shall only be directed to support tourism development and promotion.

3 DEFINITIONS

In this Policy:

“Act”	means <i>Cities, Towns and Villages Act</i> , S.N.W.T. 2003;
“Council”	means Council for the Municipal Corporation of the City of Yellowknife;
“City”	means the Municipal Corporation of the City of Yellowknife;
“Policy”	means the City of Yellowknife “Tourist Accommodation Tax Use of Funds” policy;
“Reserve or Reserve Fund”	means the reserve fund that is established by the City of Yellowknife for the use of managing funds related to the



Tourist Accommodation Tax;

“Tourist Accommodation Tax” means the Tourist Accommodation Tax collected in accordance with By-law No. 5099

4 POLICY

This policy applies to the revenues remitted and collected pursuant to Tourist Accommodation Tax By-law No. 5099.

4.1 Use of Revenue

- (i) Pursuant to the *Cities, Towns and Villages Act*, S.N.W.T 2003, c.22, the City must use revenue collected from a tourist accommodation tax only for the purposes of supporting tourism initiatives, including the provision of services for visitors and the promotion of Yellowknife as a tourist destination.
- (ii) All expenditures from this reserve must have the appropriate supporting documents.
- (iii) An amount equivalent to the revenue collected from the quarterly remittance of the tourist accommodation tax shall be transferred quarterly to the Reserve.
- (iv) The Reserve funds shall be kept in a separate bank account and any interest revenue earned shall only be used for the purposes for which the Reserve was established.

4.2 Revenue Sharing

The City may enter into an agreement to share revenue collected from a tourist accommodation tax with a not-for-profit organization, for the exclusive purpose of promoting Yellowknife as a tourist destination.

4.3 Reporting

The City shall, as directed by the Minister, report on the collection and use of revenues collected in respect of the tourist accommodation tax.

5 APPLICATION

This policy applies to the revenues collected pursuant to Tourist Accommodation Tax By-law No. 5099.



CITY OF YELLOWKNIFE

BY-LAW NO. XXXX

BM XXX

A BY-LAW of the Council of the Municipal Corporation of the City of Yellowknife in the Northwest Territories, to amend Financial Administration By-law No. 4206, as amended;

PURSUANT TO Section 101 (4) and Sections 70.1, 70.3 and 70.4 of the *Cities, Towns and Villages Act*, S.N.W.T. 2003, c.22;

WHEREAS the City passed Tourist Accommodation Tax By-law No. 5099 that requires the collection of a 4% levy on Tourist accommodation facilities in the city;

AND WHEREAS the revenue collected from the tourist accommodation tax is intended to be used solely for tourism promotion and development;

AND WHEREAS the City wishes to add an additional reserve for the purpose of ensuring that the revenue collected through the Tourist Accommodation Tax is directed to support tourism development and promotion in a transparent manner;

NOW THEREFORE, THE COUNCIL OF THE MUNICIPAL CORPORATION OF THE CITY OF YELLOWKNIFE, in regular sessions duly assembled, enacts as follows:

APPLICATION

1. That By-law No. 4206, Financial Administration By-law, as amended, is hereby amended by adding a new subsection (j) to Section 13 as follows:
 - (j) "Tourist Accommodation Tax Reserve" to ensure that the revenue collected through the Tourist Accommodation Tax is collected and directed to support tourism development and promotion.

EFFECT

2. This By-law shall come into effect upon receiving Third Reading, and otherwise meets the requirements of Section 75 of the *Cities, Towns and Villages Act*.

Read a First time this _____ day of _____, A.D. 2025.

Mayor

City Manager

Read a Second Time this _____ day of _____, A.D. 2025.

Mayor

City Manager

Read a Third Time and Finally Passed this _____ day of _____, A.D., 2025.

Mayor

City Manager

I hereby certify that this by-law has been made in accordance with the requirements of the *Cities, Towns, and Villages Act* and the by-laws of the Municipal Corporation of the City of Yellowknife.

City Manager



CITY OF YELLOWKNIFE

TERMS OF REFERENCE

Destination Marketing Advisory Committee

Whereas, pursuant to Council Procedures By-law No.4975, Council may establish a special committee to investigate and consider any matter; Yellowknife City Council hereby establishes a Special Advisory Committee to be known as the “**Destination Marketing Advisory Committee (DMAC)**” with the following terms of reference.

INTRODUCTION

Development and growth of the tourism industry is considered an economic benefit to the general economy of Yellowknife and as such the City is dedicated to ensuring that Yellowknife is promoted as a great destination to visit. Municipal Destination Marketing Organizations (DMOs) are responsible for marketing tourism products and services within the city or town. The focus of the Yellowknife DMO will be to build brand awareness for Yellowknife and to participate in marketing and sales activities that will increase visitors and visitor spending in the city.

The City of Yellowknife has identified that there is a need to establish an Advisory Committee that will provide strategic marketing advice and guidance to Council on marketing Yellowknife.

BACKGROUND

1. On December 9, 2024 Council passed Tourist Accommodation Tax By-law No. 5099 and collection of the levy commenced on April 1, 2025. Council is seeking the expert advice and input from members with experience in tourism services delivery, strategic leadership, and destination marketing who share an interest in advancement of Yellowknife as a destination.

SCOPE

2. The purpose of the DMAC is to act as a review body for the Tourist Accommodation Tax, including the mandate to:

- (i) Provide independent strategic marketing advice to Council on marketing Yellowknife;
- (ii) Recommend final marketing plans and strategies to Council; and
- (iii) Recommend adjustments to annual marketing plans where required.

MEMBERSHIP

Composition:

3. The DMAC will consist of the following members appointed by Council:
 - a. The **Mayor** of the City of Yellowknife - ex-officio;
 - b. One (1) Member of **City Council**;
 - c. Three (3) members representing **Accommodation Providers**;
 - d. Six (6) members appointed by Council following a skills-based public application process designed to identify individuals having specific experience in developing, implementing or managing marketing plans; knowledge of tourism products and markets, knowledge of the tourism industry and marketing-related issues, and knowledge of current destination marketing techniques and practices, visitor servicing or related and relevant skills. While the ability to contribute expertise is the priority for selection, these six members, if possible, should capture broad representation from a wide range of visitor experiences such as:
 - (i) Arts, culture, heritage, festivals
 - (ii) Food and Beverage
 - (iii) Retail
 - (iv) Tour operators (aurora viewing, fishing, etc.) and
 - (v) Transportation
 - e. Five (5) Non-voting liaison members as follows:
 - (i) One representative from the City of Yellowknife – Economic Opportunities and Investment
 - (ii) One representative from the Government of Northwest Territories – Department of Industry, Tourism & Investment
 - (iii) Two (2) representatives from Indigenous Governments
 - (iv) One representative from the Yellowknife Chamber of Commerce
4. The Member of City Council shall be the Chair of the DMAC.
5. Members shall be appointed for a two (2) year term.
6. Support for the DMAC will come from City of Yellowknife Administration.

MEETINGS

7. The DMAC shall meet twice a year in the Spring and Fall.
8. Special meetings of the Committee may be called at the request of the Chair.
9. The rules of procedure for the Committee shall be governed by the City of Yellowknife Council Procedures By-law insofar as it may be applicable except that quorum for a meeting is:
 - One (1) representative of the City; and
 - Three (3) voting members who are not representatives of the City.

REMUNERATION

10. The Members of the Committee, including the Chair, shall serve in a volunteer capacity only, with no remuneration.

DUTIES

11. The Chair's responsibilities will be as follows:
 - a. Chair meetings;
 - b. Approve agenda/meeting preparation and any follow up actions;
 - c. Act as spokesperson for the Committee;
 - d. Introduce DMAC recommendations to the appropriate Standing Committee of Council; and
 - e. Communicate instructions to the DMO in accordance with direction from the Committee.
12. The DMAC Members' responsibilities will be as follows:
 - a. To guide the development of a three year strategic framework for marketing Yellowknife;
 - b. To review the results of past marketing plans and special marketing initiatives;
 - c. To review research and market demand information to identify key market development opportunities; and
 - d. To recommend opportunities to leverage additional marketing investments.

FINANCE

13. The DMAC shall have no authority to expend or commit financial resources of the City of Yellowknife.

TIMELINE

14. This is an ongoing Committee with no identified timeline for completion at this time.

TERMINATION

15. Notwithstanding the above, Council may, by resolution, dissolve the Committee at any time, or amend these Terms of Reference.



CITY OF YELLOWKNIFE

MEMORANDUM TO COMMITTEE

COMMITTEE: Governance and Priorities Committee / Council

DATE: April 28, 2025

DEPARTMENT: Public Works & Engineering

ISSUE: Whether to award the contract to construct Landfill Cell 3 to NWT Construction Ltd. in the amount \$8,090,917.00 (excluding GST).

RECOMMENDATION:

That Council authorize the Mayor and City Manager to enter a contract with NWT Construction Ltd. for \$8,090,917.00 (excluding GST) for the construction of Landfill Cell 3 as detailed on page 135 of the 2025 Capital Budget.

BACKGROUND:

The City places municipal solid waste in engineered lined cells. To date, two (2) cells have been constructed and are referred to as Cells 1 and 2. These cells are reaching their initial capacity, thus the City has been working with a consultant on the design of Landfill Cell 3, which will need to be constructed in 2025 in order to ensure continued disposal of municipal solid waste in accordance with the City's Water Licence Requirements.

COUNCIL POLICY / RESOLUTION OR GOAL:

Council Goal #3: Sustainable Future

APPLICABLE LEGISLATION, BY-LAWS, STUDIES, PLANS:

1. Budget 2025 – Capital Fund Projects – Page 135
2. Solid Waste Management Plan (2018 – updated 2023)

CONSIDERATIONS:

Tender Process

The Landfill Cell 3 Construction tender closed on Monday, April 7, 2025. Submissions were received from the following companies:

- NWT Construction Ltd.

- NWT Ltd. Rowe's Construction
- Infracon Construction Inc./Khione Solutions
- Duz Cho Construction Limited Partnership

All bids were received online via the City's Bids and Tenders webpage. The procurement website requires that all mandatory documents be submitted including a 10% bid bond or certified cheque, a Consent of Surety, liability insurance and a Letter of Good Standing from the Workers' Safety and Compensation Commission (WSCC). All submissions included the mandatory documents. Table 1 contains a summary of the tender pricing.

Table 1: Landfill Cell 3 Construction – Tender Summary

Company	Total Costs (Excl. GST)
NWT Construction Ltd.	\$8,090,917.00
NWT Ltd. Rowe's Construction	\$11,813,925.80
Infracon Construction Inc./Khione Solutions	\$12,382,247.00
Duz Cho Construction Limited Partnership	\$13,515,000.00
<i>Engineer's Estimate</i>	<i>\$7,555,537.38</i>

Tetra Tech, the City's Engineering Consultant for the Landfill Cell 3 project, reviewed the bids and recommends awarding the Landfill Cell 3 Construction contract (RFT #25-022) to NWT Construction Ltd.

Budget Summary

The Public Works & Engineering - Engineering Division has reviewed the consultant's bid analysis, along with the tenders, and recommends proceeding with award of the contract to NWT Construction Ltd. Table 2 below summarizes the Landfill Cell 3 project compared to the approved budget.

Table 2: Landfill Cell 3 – Budget Summary

Capital Expenses

Engineering Contract Costs Remaining \$ 406,416.91

Construction Contract

NWT Construction Bid \$ 8,090,917.00

Anticipated Change Orders (based on contracts for Cells 1 and 2) \$ 100,000.00

Other Expenses

NWT Construction PAG Quarry Rock for use in Cell 3 Construction \$ 683,827.31

Subtotal Expenses \$ 9,281,161.22

City Budget

2025 Budget \$ 4,500,000.00

2024 Anticipated Carry Forward \$ 2,382,105.00

Subtotal Budget \$ 6,882,105.00

Difference (\$2,399,056.22)

As shown in Table 2, the project has come in over budget by \$2,399,056.22, based on an anticipated 2024 project carry forward of \$2,382,105.00. Public Works in conjunction with Corporate Services have reviewed the City's Capital Fund and have determined that the City can accommodate this overage. It is not recommended to defer this project to an upcoming budget cycle due to the potential impacts on operations as Cells 1 and 2 are nearing capacity.

ALTERNATIVES TO RECOMMENDATION:
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There are no viable alternatives at this time, as Landfill Cell 3 must be completed this year.

RATIONALE:

This project is necessary to establish the next area of landfill space for municipal solid waste operations. Both Cells 1 and 2 are reaching capacity and the construction of the new cell will allow staff to conduct landfilling operations in accordance with our Design-Operations-Closure-Plan (DOCP).

ATTACHMENTS:

None

Prepared: April 23, 2025; CG/