

10

LONG TERM TOURISM DESTINATION DEVELOPMENT STRATEGY DRAFT FOR CONSULTATION

The Planning and Economic Development Committee recommends:

- 1. Receipt of the presentation by Patrick Draper, Director, Economic Strategy and Tourism; and**
- 2. Adoption of the recommendations contained in the following report dated December 2, 2008, from the Commissioner of Planning and Development Services.**

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council adopt in principle the draft Long Term Tourism Destination Development Strategy.
2. Regional Council approve the consultation process with stakeholders on the draft Long Term Tourism Destination Development Strategy.
3. This report be circulated by the Clerk's Department to the local municipalities, York Region public and private school boards, Chambers of Commerce and Board of Trade for information and engagement.

2. PURPOSE

The purpose of this report is to present the draft Long Term Tourism Destination Development Strategy for York Region and to obtain approval to commence stakeholder consultations to formalize a final strategy document.

3. BACKGROUND

The previous Tourism Destination Development Strategy was completed in 1997 that identified *developing a tourism image for York Region; partnering to create tourism packages and theme; improve tourism coordination and communications and develop a tourism marketing plan as the four priority areas*. Significant steps and successes have been achieved in implementing and evolving these strategic directions. In light of changing needs and market conditions, in May 2007 Regional Council approved commencement of the development of a new Long Term Tourism Destination

Development Strategy. PKF Consulting, advisors to Canada's Hospitality and Tourism Industry and the University of Guelph, College of Management and Economics/School of Hospitality and Tourism Management were retained to assist with research and the facilitation of municipal, provincial and industry consultations to craft the draft Long Term Tourism Destination Development Strategy.

The Premier Ranked Tourism Destination research framework completed in 2006, which assessed the regional infrastructure and the tourism businesses against the three dimensions of product (the tourism experience); performance (market share, attractiveness, occupancy and yield) and futurity (the extend of investment, infrastructure and carrying capacities) provided the foundation to commence the development of the draft Long Term Tourism Destination Development Strategy.

The *Healthy Communities, Economic Vitality and Sustainable Natural Environment* goals from Vision 2026, complemented by the York Region Official Plan, the York Region Economic Strategy, Planning for Tomorrow and the York Region Sustainability Strategy set the direction for crafting the recommendations from a regional policy context. The health, economic and quality of life opportunities from the provincial documents including Places to Grow, the Greenbelt Plan and the Oak Ridges Moraine Conservation Plan that support recreation, tourism and cultural/natural heritage growth management as well as, environmental appreciation, were incorporated in the draft tourism strategy development.

4. ANALYSIS AND OPTIONS

The draft Long Term Tourism Destination Development Strategy is intended to assist in defining the role and scope of tourism from a regional perspective and in determining an efficient and sustainable growth scenario for York Region's tourism infrastructure. The direction and action areas outlined in the draft tourism strategy are the crucial first steps in the continuation of a comprehensive consultation process with stakeholders to define the future of tourism in York Region.

Attached is the comprehensive draft Long Term Tourism Destination Development Strategy document. The following highlights key findings and strategy recommendations:

Economic Importance

In 2006, York Region welcomed 2.7 million visitors spending \$284.4 million on tourism activities and services. The economic impact of this tourism spending was:

- \$168.5 million in total economic activity (GDP) for York Region and \$73.7 million on other regions of the province.
- \$98.5 million in taxes, \$3.2 million in municipal taxes and \$407,000 retained in York Region.

- 2,850 tourism related jobs in York Region and more than 1,000 jobs in other part of Ontario.

Increasingly, tourism is becoming more and more important to the Canadian economy. In 2007, its contribution to Canadian GDP stood at 2.0% with tourism spending close to \$71 billion.

York Region's Opportunity Gap

Although York Region is on the doorstep of Canada's most important destination: Toronto – with about 20% of all domestic and international visitors to Canada and 10% of spending – York Region is not yet capitalizing on its close proximity to this tourism destination. York Region's overnight and same day visitors contribute only 0.5% to its GDP and 0.7% to its employment.

While Canadian Tourism GDP is growing faster than the national economy at 6.4% compared to 2.7%, its full potential has not been realized in York Region.

If tourism in York Region accounted for 2.0% of its GDP, this would represent more than a five-fold increase in expenditure to over \$1.1 billion. Spending of this magnitude would generate \$440 million in taxes for all levels of government and create over 6,000 new jobs directly related to tourism, according to the Ontario Ministry of Tourism's Economic Impact Model.

Opportunities for planning and economic development initiatives to integrate tourism.

Based on regional and municipal long term planning for population and employment growth, York Region's infrastructure is well positioned for significant growth in tourism. The draft strategy recommends developing a closer working relationship with regional and municipal departments to integrate tourism into master plans to ensure creation of a sustainable tourism infrastructure that supports economic activity and environmental and socio-cultural community building.

York Region visitor expenditures are below provincial averages.

Based on York Region's current performance in visitation and market trends the draft tourism strategy identifies four distinct opportunities for growth:

- Convert same day visitors to overnight stays
- Increase Visiting Friends and Relatives expenditures
- Attract more long haul visitors
- Increase business meetings, conferences and sport tournaments.

Ensuring the region has a range of accommodation options for leisure stays and facilities to host the potential higher yield meetings, conferences and sport tournaments will be addressed through the consultation process to ensure the region has the capacity to grow market share and expenditures.

Although the Premier Ranked Destination research identified there has been significant investment in tourism facility renewal, upgrades and expansions, York Region is not considered a “must see/must do destination”. The draft tourism strategy identifies the need for York Region to develop its tourism base by creating sustainable differentiators and bundling a collection of tourism offerings to provide experiences that are memorable to increase exposure and economic share. Based on the findings in the Premier Ranked Tourism research the core attractors to build upon include attractions, recreation and natural features and the cultural and heritage assets.

The Strategy Development Process

During 2007, PKF Consulting conducted in-depth interviews with private and public sector stakeholders from each Municipality to:

- Confirm the tourism product inventory from an attraction, conference/meeting, foodservice, retail, recreation, natural and cultural assets.
- Review Official Plans and policies and obtain an overview of the strategic directions currently in place that could assist in future tourism development.

A review of national market, economic, consumer and product trends impacting travel and tourism in York Region as well as Opportunities Workshop was held on October 1, 2007 to identify and obtain direction on the region’s strengths to define tourism development opportunities. During 2008, the University of Guelph, College of Management and Economics/School of Hospitality and Tourism Management augmented the research completed to date and assisted in the crafting of the draft long term tourism destination development strategy. The draft tourism strategy was then vetted through the York Region Tourism Advisory Group, the local municipal economic development offices, provincial tourism representatives and various industry stakeholders to ensure the draft strategy was built in a sustainable manner in response to industry feedback.

The Guiding Principles

The draft Long Term Tourism Destination Development Strategy was created based on the following guiding principles to support York Region’s future economic prosperity and long term fiscal competitiveness from a tourism perspective.

1. New and/or expanded tourism infrastructure development must be consistent with York Region’s vision:
 - Economic vitality
 - Sustainable development

- Healthy communities
 - Enhanced environment, heritage and culture
2. Tourism development must be evaluated against York Region's vision:
 - Quality communities for a diverse population
 - Responding to the needs of our residents
 - Managed and balanced growth
 - Infrastructure for a growing region
 - Engaged communities and a responsive Region.
 3. Priority will be the achievement of the tourism goals identified in this strategy:
 - Convert same-day visitors to overnight stays
 - Increase Visiting Friends and Relative expenditures
 - Attract greater share of longer-haul visitors
 - Increase business meeting, convention and sport travel
 4. Strategic directions must be focused on strengthening, capitalizing on and leveraging the core and supporting product pillars as identified from the Premier Ranked research:
 - Great outdoors- natural outdoor attractions and recreational opportunities.
 - Wonderful attractions - cultural/heritage attractions and events.
 - Rich traditions - urban/rural experiences and activities.
 5. Opportunities will be pursued that are based on identified market opportunities and meaningful consultation with a broad range of tourism stakeholders.
 6. Preference will be given to opportunities that benefit the Region as a whole, not just economically, but socially and environmentally.
 7. Priority will also be given to training, transportation, infrastructure development and other needs that support the identified opportunities.

Going Forward – The Draft Long Term Tourism Destination Development Strategy 2009-2019

The following five key directions provided the strategic framework to craft the draft Long Term Tourism Destination Development Strategy. These directions shape the environment in which tourism as a business will be conducted in York Region for a 10 year period 2009-2019:

- Strengthen Strategic Marketing
- Expand Tourism Attractors
- Leadership and Governance
- Sustainable Funding

- Product Sector Development.

Each direction has a defined goal, objective and actions that outline the specific steps required to define the outcomes, responsibilities, and designated accountability for implementation.

Strengthen Strategic Marketing

Goal: Strengthen the image of York Region in the minds of consumers as a leading destination for getaways, visiting friends and relatives and meetings and groups.

Objective: Increase visitation and revenues by 13% per annum to 2019.

Action Plan:

- Develop a compelling long term positioning that will create a unique “personality for York Region’s tourism pillars.
- Coordinate and expand municipal and regional destination marketing with provincial marketing efforts.
- Strengthen marketing through enhanced sales functions and activities.
- Build broader strategic partnerships with York Region private sector tourism organizations to maximize marketing efforts.
- Undertake new research initiatives to track changes in consumer awareness and trends and utilize existing consumer research to confirm marketing decisions.
- Build stronger relationships with all levels of government and non traditional private sector partners to increase marketing resources.
- Maximize immediate Greater Toronto Area visitation and increase the resources devoted to destination marketing to expand to new markets.

Expand Tourism Attractors

Goal: Create visitor friendly communities, new tourism experiences and opportunities for additional tourism infrastructure investment.

Objective: To grow the tourism infrastructure, attractors and accommodation at a rate that is greater in increases in visitation.

Action Plan:

- Work with existing tourism attractors to enhance, expand and evolve the quality and value of offerings.
- Work with industry to expand awareness and usage of the natural heritage experiences by creating a multi stakeholder “access to nature” visitor information service.
- Establish a task force to evaluate the establishment of an Oak Ridges Moraine Interpretive Centre.

- Identify new grant and funding programs.
- Develop and enhance community-based support for tourism investment.
- Identify prime opportunities for tourism investment and new capital sources and convince interested investors to capitalize on business opportunities in York Region.
- Work with York Region and municipal departments such as Public Transportation, Transit, Environmental Services and the Planning and Development Services to ensure that increase in visitation are integrated in the long-range regional and municipal master plans.

Leadership and Governance

Goal: Establish an organization with the infrastructure that supports marketing and creates a business climate for investment, expansion and enhancement of overall tourism economic development.

Objective: Design a York Region management and governance structure that leads the projected increases in visitation and revenues.

Action Plan:

- Leverage the expertise of the York Region Tourism Advisory Group through expanded scope, responsibilities and roles.
- Develop recommendations for an expanded tourism management business model including mission, values, goals, mandates, governance and resource requirements.
- Increase awareness and profile of the value of tourism for its economic, social and cultural contributions.
- Establish a internal steering committee of regional and municipal departments with a vested interest in tourism growth.

Sustainable Funding

Goal: To ensure that sufficient funding is in place to enhance new product and experiences, market the region effectively to key market segments and service the information needs of visitors and residents.

Objective: To increase funding at annual rates consistent with the increase in projected revenues from tourism visitation.

Action Plan:

- Develop a 10 year tourism budget forecast for a Regional Tourism Program including the share provided by York Region.
- Re-negotiate the current marketing partnership model with Tourism Toronto.
- Investigate options that enable a more long term sustainable and inclusive regional funding model for tourism development and marketing.

- Develop a revenue generation plan including sponsorships, grants and advertising that includes provincial, regional, municipal , no-profit and private partners.

Product Sector Development

Goal: To continually upgrade the quality and quantity of tourism attractors, products and packages, based on market research.

Objective: To expand the capacity of existing tourism experiences to meet projected visitation increases.

Action Plan:

- Develop new and expanded tourism products and experiences based on consumer demand generators and research.
- Become recognized as a region dedicated to service excellence through labour development and training.
- Develop and coordinate a capacity enhancement business development program based on identified opportunities.
- Identify high profile festivals and events for evolution to provincial/national/international status.
- Develop a strategy to bid on provincial and national level sports tournaments, meetings, conventions and other events, based on current and future capacities.

Next Steps

It is being recommended to commence consultations on the draft Long Term Tourism Destination Development Strategy during the period February - May 2009 to review the validity and effectiveness of the proposed actions and provide concrete implementation plans to formalize the final strategy document. Consultation sessions are proposed with:

- Regional departments
- Local Municipalities including Council, Economic Development , Planning, Sports, Recreation and Culture
- Provincial Ministry of Tourism
- Regional tourism businesses
- Regional corporations
- Commercial real estate developers
- Tourism industry associations
- Academic institutions.

These stakeholder consultations will consist of presentations and workshops facilitated by a tourism consultant and regional staff to obtain written comments and feedback on the draft tourism strategy document. A final Long Term Tourism Destination Development Strategy being reported back to Regional Council in September 2009.

Relationship to Vision 2026

The York Region Long Term Tourism Destination Development Strategy supports the Vibrant Economy, Engaged Communities and a Responsive Region and Responding to the Needs of Our Resident goals identified in Vision 2026.

5. FINANCIAL IMPLICATIONS

The draft Long Term Tourism Destination Development Strategy consultation process will include investigating options to identify varying levels and funding resources to develop a comprehensive and sustainable 10 year tourism budget forecast and a regional funding strategy.

Funding provided from the 2007 and 2008 economic development budget allocations have covered the costs incurred to develop the draft Long Term Tourism Destination Development. Funding has been allocated in the 2009 economic development operating budget to facilitate the stakeholder consultations to formalize the final strategy document.

The current agreement with Tourism Toronto provides marketing funding of \$300,000 from the destination marketing fee being collected by 10 York Region and 11 Northeast Toronto Hotels. This funding agreement expires at the end of 2009.

6. LOCAL MUNICIPAL IMPACT

The draft Long Term Tourism Destination Development Strategy identifies opportunities that create efficiencies and productivity and assists in integrating elements of the economy and environment to create a competitive municipal advantage. The draft tourism strategy consultation process will identify ways to incorporate with regional and municipal policies. This alignment ensures that the tourism strategy continues to have a unified voice, strong action plans and a strategic platform to enhance the competitiveness of local businesses and the labour force, improves the quality of life for residents and helps ensure local municipality long term fiscal sustainability.

7. CONCLUSION

The draft Long Term Tourism Destination Development Strategy identifies directions in order to encourage and accommodate sustainable tourism economic activities that contribute to and enhance York Region as a place to work, live and visit.

The approach to date has emphasized collaboration and cooperation with the business community, municipal and provincial stakeholders and the York Region Tourism Advisory Group to craft the components of the draft Long Term Tourism Destination

Development strategy. It is being recommended to commence industry consultations on the draft tourism strategy with during the period February - May 2009 to formalize a final Long Term Tourism Destination Development Strategy that will be reported back in September 2009.

For more information on this report, please contact Brenda McGowan, Program Manager, Tourism Development at (905) 830 4444 Ext. 1553 or Patrick Draper, Director Economic Strategy and Tourism at Ext. 1503.

The Senior Management Group has review this report

(The attachment referred to in this clause is attached to this report.)