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LONG TERM REGIONAL TOURISM STRATEGY – PHASE ONE

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated April 11, 2007, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair appoint members for a second term to the York Region Tourism Advisory Group.
2. Staff provide a status update on the development of a long term regional tourism destination development strategy in the first quarter of 2008.

2. PURPOSE

The purpose of this report is to advise Regional Council on the process that will be undertaken to develop a long term regional tourism destination development strategy.

3. BACKGROUND

Within York Region, tourism supports many industries including accommodation, attractions, food and beverage, recreation, culture, entertainment, transportation, retail and others. The most recent research available for York Region is based on 2004 Statistics Canada data advising York Region welcomed 3 million visitors spending \$209.3 million on tourism activities. This visitor spending generated over 3,184 jobs (direct, indirect, and induced) throughout Ontario of which, 83% of these jobs were retained in York Region and about \$148.6 million in gross domestic product for the Region.

Since 2000, when the tourism function was incorporated into the Economic Development Branch of the Planning and Development Services Department, tourism has operated as a destination marketing organization. Core activities focused on the implementation of a tourism marketing program including media advertising, product development, industry educational forums and facilitation of consumer information services.

During 2006 the Premier Ranked Tourist Destination research project was implemented. Developed by the Ontario Ministry of Tourism, it is an industry led process designed to evaluate current tourism competitiveness, examine development needs and determine future growth potential from tourism as an economic driver. The project identified

strengths, gaps, and opportunities, and provided recommendations to enhance the regional tourism experience and support the growth and sustainability of York Region's tourism sector. In November 2006, Regional Council adopted the Premier Ranked Tourist Destination project report and the incorporation of the findings and recommendations into the tourism program. An enhanced 2007 tourism program recommended that a long term Regional destination development strategy and brand position be developed for York Region.

Staff proposes the implementation of this recommendation will be broken into two phases. Phase one will be defining the long term Regional tourism strategy. Phase two will be the establishment of a unique marketing and brand identity for York Region as a viable tourism destination.

This report outlines the phase one process for the development of a long term tourism destination development strategy for York Region.

4. ANALYSIS AND OPTIONS

Ontario had Canada's largest tourism industry in 2004, accounting for 42% of Canada's visitors and 33% of Canada's tourism revenues. The total contribution of tourism to the provincial gross domestic product (direct, indirect, and induced) amounted to \$20.4 billion in 2004. Tourism was the 14th largest industry in the province in terms of employment reaching 213,500 jobs, accounting for 3.3% of Ontario's total employment.

A report released in March 2007, by the Geneva based World Economic Forum, ranks Canada 7th in a new study of world travel and tourism destinations. Hence Ontario faces competition in standing out as a "top of mind" destination in attracting travellers. Ensuring York Region has the sustainable tourism infrastructure to reap the economic and social benefits from Ontario's tourism market share requires a strategic, long term tourism destination development approach.

4.1 Policy Context

The strategic direction for economic development from a tourism perspective supports the social and economic objectives defined in York Region's Official Plan and the York Region Economic Development Strategy, as well as recent Provincial Planning documents including the Oak Ridges Moraine Conservation Plan and the Greenbelt Plan.

4.1.1 Regional Official Plan Context

York Region Official Plan (3.1, 3.2, 3.3)

There are a number of Regional Official Plan sections where the economic benefits of tourism are contained. Specifically, section 3.1 - Basis for Economic Growth states that "employment and the value of products in the Region are spread over a number of

important sectors. The agriculture, aggregate and tourism sectors play important roles along with manufacturing, business and retail commercial activities.”

Section 3.2 - Attracting Economic Development, provides that in order to bring about economic vitality, the objective of the Region is to “encourage and accommodate economic activities that contribute to the diversity of the economic base and to the cultural, recreational and institutional opportunities within the Region, enhancing the Region as a place to work, live and visit.”

Further Policy 3.2.6 of the same section states that “York Region be given high priority as a location for major sporting facilities, trade and convention facilities, and venues for showcase arts and entertainment activities, with consideration to promoting York Region for tourism.”

Section 3.3 - Locations for Economic Development contains the objective “to create a range of potential locations for economic uses across the Region that support economic development.” Policy 3.3.1 provides “that governmental, institutional, major office, cultural and entertainment uses be located to support the centre and corridor structure of this Plan.”

Planning for Tomorrow and York Region Sustainability Strategy

In December, 2005, Regional Council adopted the work plan for Planning for Tomorrow-Growth Management initiative and the preliminary draft Sustainability Strategy in March 2007. A long term tourism strategy and destination development will be fully integrated within the growth management and infrastructure initiatives where permitted by upper level planning including the Greenbelt Plan and the Oak Ridges Moraine plan to better integrate the community, environment and the economy.

York Region Economic Development Strategy

In June 2005, Regional Council approved the York Region Economic Development Strategy report. The fourth strategic direction defined the need to enhance the quality of place by focusing efforts on developing regional attributes as a means to attract investment. Developing and promoting York Region’s attributes, attracting tourism and special events to enhance the quality of place are objectives that the tourism strategy supports.

Premier Ranked Tourist Destination Research Project

In October 2006, Regional Council approved the findings and recommendations for enhancing York Region’s tourism experience and increasing tourism revenues outlined in the Premier Ranked Tourist Destination report.

4.1.2 Provincial Planning Context

Section 3.3 of the Greenbelt Plan foresees a system of parklands, open spaces, water bodies, and trails across the Greenbelt as necessary to provide opportunities for recreation, tourism and cultural/natural heritage appreciation, as well as to support

environmental protection. The existing system currently supports a variety of passive and active uses, as well as health, economic and other quality of life benefits within the Greenbelt.

While the Oak Ridges Moraine Conservation Plan is founded on the principles of maintaining, enhancing and restoring the integrity of the natural environment, the Moraine Plan acknowledges that certain tourism oriented uses occur as both low intensity and major recreational uses. Low intensity uses (which include recreational uses that have minimal impact on the natural environment, require very little terrain or vegetation modification and few, if any, buildings or structures) are permitted in all land use designations. Major recreational uses, which include golf courses and ski hills are only permitted after the tests contained in the Moraine Plan are met and are not permitted within the most restrictive Natural Core and Natural Linkage Area designations nor within agricultural lands in the Countryside area.

In addition to the greenbelt Plan and the Oak Ridges Moraine Conservation Plan, the province approved Places to Grow - the Growth Plan for the Greater Golden Horseshoe in June 2006. The growth Plan recognizes the importance of economic development to the greater Golden Horseshoe as well as supporting both the growth management work of the Region and the ORMCP and Greenbelt Plans

4.2 The Strategy

The long term regional tourism destination development strategy will:

- Provide a Regional strategic vision to bring about economic vitality.
- Provide direction on economic development opportunities with respect to tourism.
- Define areas of potential locations for development across the Region that supports tourism.
- Identify potential tourism investment attraction /capital investment opportunities.
- Explore public/private partnership opportunities that the Region and local municipalities could establish and promote as destinations for recreation and tourism.

4.3 The Process

The strategy development process will include research, analysis and industry consultation leading to the formulation of strategic policies, key objectives and recommended actions. A third party consultant/organization will be retained to assist the York Region Tourism Advisory Group and staff with the process and formulation of the strategy including::

- Analysis of the research.
- Facilitation of industry consultations.
- Undertake market needs assessment.
- Formalization of the strategy direction and policy.
- Provide an implementation plan with actions steps to be taken and performance metrics to measure success.

- Provide a funding plan which details sources of capital funding and potential partnerships, public/private sector and joint ventures to implement the initiatives.
- Provide a communications plan for dissemination of information.

4.4 Research and Analysis

The Premier Ranked Tourist Destination framework 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 extent of investment, infrastructure, and carrying capacities). The strategy foundation will be based on these key findings and recommendations.

An essential part of York Region's effort to sustain a competitive and prosperous economy is increasing its visibility as a unique and desirable location for new business investment and tourism. As part of the Greater Toronto Area, York Region capitalizes on the spin offs that accrue through the success of the broader city-region but there is demand for York Region to reposition its own identity in terms of the unique advantages that exist throughout the Region.

Additional analysis and examination of other tourist destinations will be undertaken to provide approaches and insight into competitive destination investment, infrastructure and best practices. Direction and guidance will also be solicited from all levels of government, local municipalities and stakeholders.

4.5 Tourism Industry Sector Analysis

The Industry Cluster Analysis Report approved by Regional Council in September 2006, states that compared to Ontario, York Region has less than its proportionate share of these key tourism industry sectors:

- Performing arts, spectator Sports & Related Industries
- Heritage Institutions
- Accommodation Services
- Amusements, Gambling and Recreation Industries
- Food Services and Drinking Places

These are emerging industries that demonstrate a high growth potential to develop a strong market presence. The tourism strategy will assess York Region's potential and capacity from an infrastructure, land use planning and competitive perspective as it relates to the ability to attract these industries and will provide recommendations to meet the sustainable development theme outlined in the York Region Official Plan.

4.6 Industry Consultation

An important component of the process will be consultation with the tourism industry, local municipalities, Chambers of Commerce, Business Improvement Associations and other interested stakeholder groups. Under the Region's Growth Management initiative,

a series of six public consultation and engagement sessions have been scheduled for the first two weeks of May 2007. As well, Regional staff will be holding focus groups with special interest groups to obtain their input on Growth Management issues and strategies. The consultations can include components of tourism, and destination development as an economic activity, and a tourism focus group can be identified as part of the subsequent meetings. These consultations will assist staff in formulating future Regional policy. A cohesive focus on the development of a sustainable tourism destination strategy will be achieved through the engagement of this network of stakeholders.

4.7 York Region Tourism Advisory Group

Regional Council approved the Tourism Advisory Group in February 2004 including a Terms of Reference and authorization for the Regional Chair to appoint 12 members. Tourism industry representatives were appointed in 2004 for a three year term, which has now expired. Staff will work through the Regional Chair's Office to identify and appoint 12 industry stakeholders for a three year term (2007-2009). Regional Councillor Tony Wong was appointed to the York Region Tourism Advisory Group in December 2006. The York Region Tourism Advisory Group will play an integral role in providing leadership and direction to staff and the consultant throughout the project.

4.8 Time Frame

The project will commence Spring 2007 and staff will report on the status of the long term Regional tourism strategy in the first quarter of 2008.

4.9 Relationship to Vision 2026

This tourism initiative supports the Vibrant Economy and Enhanced Environment, Heritage and Culture goals of Vision 2026 as well as the goals of the Region's preliminary Draft Sustainability Strategy.

5. FINANCIAL IMPLICATIONS

An increase of \$75,000 in funding was included in the 2007 base operating budget to support an enhanced tourism program that included the development of a long term Regional tourism strategy.

6. LOCAL MUNICIPAL IMPACT

York Region is a remarkable combination of unique communities, natural experiences, attractions, cultural, and recreational activities. Tourism has tremendous potential to enhance job and wealth creation within local municipalities while contributing to the quality of life for residents. A long term tourism destination development strategy will provide a cohesive Regional direction to improve current tourism industry success and will complement and augment local municipal tourism efforts and foster strong

urban/rural communities. The strategy process engages local municipalities in the formulation of a long term Regional destination strategy to ensure sustainable tourism development.

7. CONCLUSION

Tourism has strong social and economic links to the York Region Economic Development Strategy, Vision 2026 and the York Region Official Plan. The potential growth in the tourism sector can only be realized if the necessary infrastructure and investments are made to ensure York Region remains an attractive destination. The long term Regional tourism strategy will define areas of economic development opportunities with respect to tourism.

It is recommended that staff be authorized to commence the process to develop a long term Regional tourism destination development strategy as outlined in this report.

For further information about this report, please contact Brenda McGowan, Senior Tourism Coordinator, Economic Development Branch at (905) 830-4444 ext. 1553 or brenda.mcgowan@york.ca.

The Senior Management Group has reviewed this report.