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TOURISM TORONTO FUNDING PARTNERSHIP

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report July 18, 2006, from the Commissioner of Planning and Development Services:

1. RECOMMENDATION

It is recommended that Regional staff report back on the Tourism Toronto partnership marketing and promotional activities in context of the York Region Tourism Program.

2. PURPOSE

The purpose of this report is to update Regional Council on the funding partnership between Toronto Convention & Visitors Association (Tourism Toronto) and York Region.

3. BACKGROUND

In 2004, a memorandum of understanding with Tourism Toronto was established whereby York Region received \$250,000 in funding to implement a 2005 marketing program that enhanced initiatives to promote York Region but also included promotion of the Toronto East area. This funding was generated through the collection of a destination marketing fee (DMF) that several Hotel properties located in downtown Toronto, East Toronto, the Airport, York Region and Mississauga agreed to voluntarily charge overnight guests. Collected dollars are submitted by the participating Hotels to the Greater Toronto Hotel Association where they are distributed to Toronto's destination marketing organization, Toronto Convention and Visitors Association (Tourism Toronto) to implement marketing and promotional programs to increase tourism visitation and revenues to their member industry partners.

Initially the Hotels agreed to the collection of the DMF for a three year recovery period (2004-2006) to undertake aggressive measures to build Toronto's profile and rebound from the continuing decline of tourism business and in wake of the 2003 SARS crisis and other global challenges impeding the growth of tourism.

In September 2005, Council received the 2006 Tourism Marketing Program that referenced staff's efforts to extend the funding partnership into 2006. The Tourism Program Update report received by Council in March 2006 confirmed the extension and advised of staff's efforts to progress to a sustainable funding formula for the future.

Based upon staff efforts to unite industry stakeholders and deliver targeted initiatives, a long-term funding partnership with Tourism Toronto is in place.

A memorandum of understanding has been successfully negotiated that provides the York Region tourism program with \$300,000 in funding annually for a term of four years, effective 2006 through 2009. Renewal of this memorandum for a further term of three years may be possible and discussion for renewal will take place in 2008 with our Tourism Toronto partners. As outlined in the memorandum of understanding, funding is contingent to the provision of interim reports and annual strategic plans for approval by Tourism Toronto.

4. ANALYSIS AND OPTIONS

The annual funding allocation of \$300,000 is made possible through the 3% destination marketing fee (DMF) that currently 10 York Region Hotel and 11 Toronto East Hotel properties have agreed to voluntarily impose to overnight guests.

York Region works in partnership with the tourism industry to set out a joint marketing strategy to promote York Region and Toronto's Eastside. This strategy includes the implementation of a variety of marketing programs and promotional campaigns that augment the current tourism program and support building awareness of York Region as a vibrant, four season destination. The elements of the program are focused on key target audiences and market segments including consumer leisure, travel trade and corporate/meetings/conference and sport.

Tourism Toronto is a membership structured organization that has over 1,000 public and private sectors members in the Greater Toronto Area and has a mandate to assist in building a thriving tourism sector by delivering more tourism business to their members and partners. Their business plan and strategy identifies investing in building awareness and demand for Toronto and the Greater Toronto Area to further distinguish Toronto from other competing destinations in the marketplace. The York Region strategic partnership strengthens this goal and builds upon Tourism Toronto's own GTA marketing and promotional activities where York Region is being positioned and tourism experiences are being promoted.

Staff are required to monitor progress and provide Tourism Toronto with reports outlining the success levels in association with the marketing strategies implemented. As well, annual marketing plans are required for approval prior to the release of any funding.

The provision of this long-term funding provides York Region the opportunity to retain qualified staff to implement an enhanced tourism marketing program.

4.1 Relationship to Vision 2026

The activities implemented through this partnership support the Vibrant Economy, and Enhanced Environment, Heritage and Culture goals of Vision 2026.

5. FINANCIAL IMPLICATIONS

This funding supports a cohesive marketing approach in partnership with Tourism Toronto and is an enhancement to the annual funding allocation for tourism marketing, development and promotions. As outlined in the memorandum of understanding, the provision of interim reports and annual marketing plans are required for approval by Tourism Toronto to continue the annual funding allocation. This funding provides a stable annual funding allocation that enhances the tourism marketing program and allows York Region to retain qualified staff to implement the program.

Staff will report back to Council the funding implications and marketing activities in context with the York Region Tourism Program.

6. LOCAL MUNICIPAL IMPACT

Success in leveraging this funding provides increased market reach and tactical partnership opportunities that augment emerging local municipal tourism promotion efforts.

Working collaboratively and developing partnerships that provide leadership and aggressive marketing initiatives supports the development of a thriving tourism sector throughout York Region.

7. CONCLUSION

The tourism programs are key components of the economic development function. The Tourism Toronto funding partnership enhances the tourism profile, extends our market reach, generates revenues and increases awareness and consumer demand while further leveraging limited industry marketing dollars. Based on feedback from the partnering hotels, tourism industry leaders and Tourism Toronto, the DMF program represents a good first step towards ongoing partnerships and collaborative efforts to market destination areas within and surrounding the Greater Toronto Area. Staff will continue involvement with Tourism Toronto to support synergies with their marketing efforts and proceed with a partnership that builds on the progress to date, addresses marketplace challenges and maximizes growth opportunities for York Region's tourism businesses going forward.

The Senior Management Group has reviewed this report.