

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
September 8, 2022

Report of the Commissioner of Corporate Services and Chief Planner

York Region Tourism Review

1. Recommendation

1. Council direct staff to allocate resources targeted for tourism promotion to support broader tourism activities rather than being dedicated to one regional tourism destination marketing organization.

2. Summary

This report provides Council with findings from the Tourism Review undertaken as directed in the York Region Economic Development Action Plan 2020 – 2023.

Key Points:

- York Region Arts Council (YRAC) has been engaged as the Regional tourism destination marketing organization since 2011
- York Region is the only upper-tier municipality in the Greater Golden Horseshoe area that is served by a Regional Tourism Organization and multiple local municipal destination marketing organizations while continuing to engage a third-party entity for tourism industry support
- York Region's tourism industry is well-served by Central Counties Tourism, Chambers of Commerce and Boards of Trade and tourism related efforts of local municipalities; including the Destination Marketing Organizations established by the City of Markham and the City of Vaughan
- Allocating resources for tourism promotion to a broader group than one organization would support a broader range of regional tourism activities

3. Background

Regional Tourism Organizations have a Provincial mandate to promote tourism across Ontario

In 2009, based on the recommendations of the “[Discovering Ontario: a report on the future of Tourism](#)”, the Ministry of Heritage, Sport, Tourism and Culture Industries decided to establish 13 independent, industry-led and not-for-profit [Regional Tourism Organizations \(RTOs\)](#) across the province. The rationale was to enable Ontario’s tourism industry to speak with a stronger, combined voice and be better equipped to attract visitors, generate economic activity and create jobs across the province. This action resulted in the reallocation of Provincial tourism funding support from municipalities to the new RTOs.

[RTO 6](#), operating as Central Counties Tourism, was established to serve York Region, Durham Region and the Headwaters area including Dufferin County, Caledon and Erin. Subsequently, the York Region Tourism office was closed. Since the formation of RTO 6, York Region has collaborated with Central Counties Tourism on various initiatives, including amplifying programs for tourism operators and the delivery of the annual Tourism Symposium, as well as other efforts.

Over the past decade, York Region Arts Council has been a partner for delivering place-making activities in York Region

Between 2011 and 2021, York Region partnered with [York Region Arts Council](#) to deliver tourism promotion and industry support services as the destination marketing organization for York Region. Under this partnership, YRAC was engaged to foster arts and culture as York Region’s primary partner in promoting tourism, arts and culture to consumers.

The terms of this partnership, which has not been renewed in 2022, required York Region Arts Council to:

- Develop and implement a tourism marketing plan
- Develop and manage the [Experience York Region website](#) (which they own)
- Lead industry engagement

In 2021, YRAC requested emergency operational funding support from York Region citing the impact of the COVID-19 pandemic on the organization’s revenues in 2020 and 2021. In September 2021, YRAC received \$125,000 in emergency operational funding from York Region via the Safe Restart program reserve. In 2021, YRAC submitted a [letter](#) requesting \$250,000 in recovery funding for 2022. This request was approved by York Region Council on [December 16, 2021](#).

The passing of Municipal Accommodations Tax legislation is a significant change for York Region’s tourism landscape

In 2017, the Province of Ontario passed legislation allowing lower-tier and single-tier municipalities to enact a Municipal Accommodation Tax (MAT) to support destination marketing programs. At the end of 2018, Markham launched [Destination Markham Corporation](#) and in 2019 Vaughan launched [Tourism Vaughan Corporation](#). The addition of these two organizations marked a significant change in York Region’s tourism promotion landscape.

York Region Economic Development Action Plan 2020-2023 called for a review of the Region's involvement in tourism marketing

The Council approved [York Region Economic Development Action Plan 2020-2023](#) is defined by three main pillars: Business; Innovation; and Talent. Several actions are captured under each of these pillars. Under the Business pillar, action number seven requires staff to examine the role of York Region in the delivery of tourism services by 2022.

This review was initiated in late 2020 but put on hold at the onset of the COVID-19 Pandemic. In the meantime, the partnership with York Region Arts Council was extended through 2021. The review was reinitiated in the fall of 2021 and the analysis which follows captures the outcomes.

4. Analysis

The tourism industry in York Region is currently supported by three tourism marketing organizations and other industry groups

For more than a decade, the two primary tourism marketing organizations in York Region were [Central Counties Tourism](#) and the [York Region Arts Council](#).

In 2010, Central Counties Tourism was established to develop and manage marketing strategies and tools designed to promote its service areas primarily to residents beyond its coverage area and to be a conduit for industry support from the Province of Ontario to local tourism partners. Presently, York Region has no formal funding agreement with Central Counties Tourism.

Between 2011 and 2021, York Region engaged the York Region Arts Council as the Destination Marketing Organization to promote tourism, arts, and cultural experiences available across York Region to residents and visiting friends and relatives. The cost of York Region's annual funding agreement to deliver tourism marketing and industry support services has varied over the past decade, with \$77,500 provided in 2021.

The opportunity provided through the Provincially-approved Municipal Accommodations Tax (MAT) in 2017 resulted in the establishment of two additional destination marketing organizations in York Region: [Destination Markham Corporation](#) and [Tourism Vaughan Corporation](#).

Destination Markham Corporation was established in 2018 as the City of Markham's local destination marketing organization, with a mandate of attracting tourists to the city through its [Destination Markham](#) program. Tourism Vaughan Corporation was established in 2019 as the City of Vaughan's local destination marketing organization, with a mandate of attracting tourists to the city through its [Tourism Vaughan](#) program. Both corporations are funded by a 4% tax collected and remitted by accommodation service providers in their respective municipalities. Due to the COVID-19 Pandemic, Markham suspended the MAT in March 2020 and reinstated it in April 2022. Vaughan also suspended its MAT in March 2020 and reinstated it in September 2020.

Over the past decade, several other local municipalities have invested in tourism. This includes developing tourism strategies and leveraging partnerships with the local Chambers of Commerce, Boards of Trade and other organizations.

A comparison of local and upper-tier municipal tourism investment reveals a variety of approaches to tourism promotion

The review covered the promotional roles of various tourism industry stakeholders in York Region, including the York Region Arts Council, Central Counties Tourism, and the nine local municipalities. For added context, Simcoe County and the Regional Municipalities of Durham, Halton, Niagara and Peel were engaged to understand their respective roles in supporting tourism.

A comparison of York Region's nine local municipalities revealed that:

- Markham and Vaughan have established local destination marketing organizations leveraging the MAT and have dedicated Full-Time Equivalent (FTE) staff to deliver tourism promotion and other programming
- Georgina and Aurora have partnered with the local Chambers of Commerce to deliver tourism promotion services
- Whitchurch-Stouffville has developed a tourism-focused website and magazine to promote local businesses
- The remaining four local municipalities do not yet directly invest in tourism promotion, beyond a webpage or portal embedded within the respective municipal websites

The comparison of the five upper-tier municipal jurisdictions engaged revealed that:

- All are supported by a Regional Tourism Organization (RTO), with one (Peel Region) supported by two RTOs
- Simcoe County and Durham Region have in-house tourism offices with substantial investments for staff, promotion and programming
- Halton Region and Niagara Region have program budgets similar to that of York Region, which are used to support small initiatives like information kiosks, wayfinding signage and map programs
- Peel Region has no dedicated resources for tourism
- York Region is the only jurisdiction that is served by a RTO and multiple local destination marketing organizations, while still engaging a non-government organization to deliver tourism promotional services

The complete summary of the comparisons is captured in Attachment 1.

Tourism support in York Region during the COVID-19 Pandemic was a community effort

At the onset of the COVID-19 Pandemic, Regional Council approved the establishment of the [Business Recovery Support Partnership](#) (BRSP). Four sub-groups were established to identify and lead execution of projects launched from the collaboration. The sub-groups were focused on: Agriculture and Agri-Food; Business Advisory; Crisis Response Supply Chain; and Tourism, Arts and Culture.

The Tourism, Arts and Culture Sub-group was comprised of tourism stakeholders from across York Region. Members include representatives from: York Region Arts Council; Central Counties Tourism; Destination Markham; Tourism Vaughan; several Chambers of Commerce; and a small selection of independent businesses. This group focused on impacts on the tourism industry and explored the role of tourism, arts and culture in recovery. Outcomes of the work by this team were captured in the Council Memo from [January 2021](#).

The work of the Tourism, Arts and Culture Sub-group was complementary to the significant relief programs provided by both the Federal and Provincial governments. These programs from senior levels of government continue to be the primary source of industry support during the pandemic.

Three options were considered regarding tourism support for York Region

Based on the analysis, staff identified three options for consideration regarding future tourism industry investment: Status quo; Increase investment; Cease direct tourism involvement. Table 1: Tourism Investment Options for York Region captures these details.

Table 1
Tourism Investment Options for York Region

Option	Benefit	Considerations/ Risk
1) Status quo	Local community third-party engagement	Long-term sustainability of the previously engaged delivery partner is a risk
2) Increase investment	Provide a boost to the tourism efforts that are currently ongoing	Limited funding and opportunity cost at the expense of supporting other strategic industries and economic development initiatives
3) Reallocate previously dedicated destination marketing organization funding	Resources can be used to support broader tourism related groups and activities	Negligible financial impact but risk of negative perception within the tourism industry

York Region's tourism industry is well-served by multiple organizations

An analysis of the tourism investments at the local municipal level, as well as amongst other upper-tier municipalities, revealed that York Region's tourism industry is well-served by multiple organizations, including: Central Counties Tourism, two local destination marketing organizations, and the efforts of several local municipalities, Chambers of Commerce and Boards of Trade. This level of support meets or exceeds what is present in the majority of the upper-tier municipalities across the greater golden horseshoe area.

It is recommended that resources assigned to tourism marketing be allocated to support broader tourism initiatives

Based on the changes in the tourism landscape, and that tourism in York Region is well-supported, it is recommended Regional resources allocated for tourism marketing be reallocated to support broader tourism related activities. Doing so would enable these resources to be shared more equitably across initiatives that support the goals of the [York Region Economic Development Action Plan 2020 - 2023](#).

Requests for support will be evaluated on a case-by-case basis and decisions regarding the provision of support will be determined by funding availability and alignment with the Economic Development Action Plan.

5. Financial

Funding leveraged for tourism support is part of the Planning and Economic Development budget. In 2021, York Region provided YRAC \$77,500 for tourism promotion and \$125,000 in emergency operational funding via the Safe Restart program reserve. In December 2021, York Region Council approved up to \$250,000 in additional pandemic recovery funding for YRAC in 2022, to be paid in installments of up to \$62,500 per quarter. To date, \$187,500 of this funding has been provided.

In addition to the funding for services delivered by YRAC, the Region has provided financial support for multiple tourism related activities in recent years including:

- Festivals and Events Ontario event in collaboration with Richmond Hill; 2020
- Funding for the Ready When YR campaign for COVID tourism related business; 2020
- Support of the Ladies Professional Golf Association Tournament; 2019
- Agri-tourism activities such as
 - Farm Fresh trail maps; 2013- 2018 now delivered through York Farm Fresh
 - Municipal Farm to Fork tours

These initiatives indicate the need to provide tourism funding for a range of activities. In future, the tourism promotion funds will be made available to partners via an application process and decisions regarding support will be evaluated based on funding availability and alignment with the Economic Development Action Plan.

6. Local Impact

The recommended approach would allow York Region to increase its support of economic development opportunities, including local tourism marketing initiatives. This would be achieved by working directly with local economic development offices and other partners including, but not limited to Chambers of Commerce and Boards of Trade, Arts and Culture organizations and Agriculture and Agri-Food organizations.

7. Conclusion

The tourism landscape in York Region has changed significantly over the past decade. A comparison of local and upper-tier municipal tourism investment reveals a variety of approaches to tourism promotion. Three options for tourism industry support were considered for York Region: Status quo; Increase investment; Reallocate previously dedicated destination marketing organization funding.

An analysis of tourism promotional support within York Region shows that the tourism industry is well-served by multiple organizations, including Central Counties Tourism, two local destination marketing organizations, and the efforts of local municipalities and several Chambers of Commerce and Boards of Trade. It is therefore recommended that Council authorize the allocation of resources for tourism marketing to support broader tourism activities, rather than dedicated to only one tourism marketing organization.

For more information on this report, please contact Jonathan Wheatle, Director at 1-877-464-9675 ext. 71503. Accessible formats or communication supports are available upon request.



Recommended by:

Paul Freeman, MCIP, RPP



Dino Basso

Commissioner of Corporate Services



Approved for Submission:

Bruce Macgregor

Chief Administrative Officer

August 25, 2022

Attachments (1)

13623568