

COMMITTEE OF THE WHOLE (WORKING SESSION) - JUNE 21, 2005

TOURISM FOR BUSINESS DEVELOPMENT: VAUGHAN TOURISM DEVELOPMENT STRATEGY

Recommendation

The recommendations, as prepared by urbanMetrics Inc., were developed in consultation with the Vaughan Tourism Advisory Committee, the Commissioner of Economic/Technology Development, and the Senior Manager of Business Development. This report recommends:

1. That Council receive the "City of Vaughan Tourism Strategy" as prepared by urbanMetrics Inc.;
2. That Council provide staff with direction regarding how they wish to proceed with Vaughan's tourism function.

Economic Impact

The Vaughan Tourism Strategy proposes a Five (5)- Year Action Plan, including the budgetary requirements for its implementation in each of those years.

Should Council decide to proceed with the adoption of the recommendations contained in the Vaughan Tourism Strategy, the following economic impact would apply:

Year One (to December 31, 2006): No economic impact as there are monies in the 2005 Operating Budget, specifically \$140,000, which represent the net proceeds from the Discover Vaughan Bash 2004, and which were carried forward from the 2004 Operating budget. Some of these funds (\$40,000) were earmarked for a tourism study and the development of a Tourism Strategy, as mandated through Council's approval of a recommendation in a report to Committee of the Whole on June 27, 2004. A net amount of \$100,000 remains in the operating budget line item under the Economic/Technology Development department's "business development" budget.

Year Two (2007): City of Vaughan's operating budget contribution: \$150,000
Year Three (2008): City of Vaughan's operating budget contribution: \$150,000
Year Four (2009): City of Vaughan's operating budget contribution: \$150,000
Year Five (2010): City of Vaughan's operating budget contribution: \$150,000

Purpose

The purpose of this report is to present to Council the results of the tourism study, undertaken in December 2004 and now completed, in the form of the "City of Vaughan Tourism Strategy". In addition, staff seeks Council direction regarding how to proceed with the City's tourism function.

Background - Analysis and Options

Over the past several years, the tourism function has been predominantly executed through outside agencies such as the Vaughan Chamber of Commerce and York Region. However, both of these entities have focused on very broad, generic forms of promotion of the attractions and events/activities offered in Vaughan.

In addition, with the arrival of the Vaughan Mills mega mall, tourist traffic in Vaughan has been significantly impacted already in just six short months. Mills Corporation research shows that

more than 2 million visitors are anticipated to pass through the Mills on an annual basis, and tourist traffic will account for a full 20% of all visitors. For example, as one of the anchor tenants of the Mall, the Bass Pro store management indicated in a recent media clip that their attendance numbers show that between November 2004 and April 2005, they have seen more than 2 million visitors to their store.

In an effort to be proactive in preparation for the impact of the Vaughan Mills project on tourism in Vaughan, the Vaughan Tourism Advisory Committee was struck in 2004. In addition, as mentioned above, in June 2004, Mayor Di Biase and Council gave staff direction to organize a fundraiser in support of Tourism in Vaughan, resulting in net proceeds of approximately \$140,000.

Seven (7) Recommendations contained in Vaughan Tourism Strategy document:

- 1. Improve Directional Signage**
- 2. Attract Hotels and Improve Cross-Promotional Channels**
- 3. Build Brand Awareness in Vaughan, GTA, South-Western/Central Ontario**
- 4. Convert Vaughan Residents into Ambassadors for Attractions**
- 5. Spearhead Package Deals & Partnerships**
- 6. Facilitate Best in Class Community Events & Festivals**
- 7. Spearhead Signature Events**

In addition, the Strategy document identifies 13 recommended actions, emanating from the 7 Strategic Directions listed above. These 13 recommended actions are divided into three groups according to the timeline for their implementation: immediate, medium-term and long-term, with immediate being within the first year (late 2005-end of 2006).

Relationship to Vaughan Vision 2007

The recommendations contained in the “City of Vaughan Tourism Strategy” are in support of the “Finance and Economic Development” strategic priority, specifically

- 2.5 “Strengthen the City’s economic base” and
- 2.5.3 “Develop a tourism strategy in conjunction with York Region”.

This report is consistent with the priorities previously set by Council and some of the necessary resources have been allocated and approved.

Conclusion

Strengthening tourism in Vaughan will mean greater opportunities in the business community as a whole. It will further diversify our economic base and add an additional dimension to our business expansion and retention goals.

The City of Vaughan has grown into a vibrant, dynamic place to live, work and play. Almost one quarter of a million people have chosen Vaughan for its quality of life, for its diversity and excellent lifestyle. Augmenting our efforts to showcase the myriad activities, events, attractions and exceptional business community will further cement our sense of civic pride in our beautiful City.

Adoption of the recommendations contained in the “City of Vaughan Tourism Strategy” document will support growth and a strengthened economic position for our tourism businesses and our business community as a whole.

Attachments

Copy of “City of Vaughan Tourism Strategy” document.

Report prepared by:

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Emilia Valentini, Senior Manager of Business Development

Respectfully submitted,

Frank Miele
Commissioner of Economic/Technology Development and Communications

Vaughan Tourism Strategy



June 21, 2005



Why Vaughan Needs a Tourism Strategy?

1. Tourism is a Major Industry
2. Reinforce Vaughan's Image as a Dynamic City
3. Made-in-Vaughan Solution
4. Build on Economic Development Momentum
5. Generate Municipal Revenues
6. Leverage from new Destination Marketing Fee Contributions from Hotel Industry
7. Better Leverage from York Region Tourism Spending
8. Generate Additional Tourism Promotion from Private Sector

Generate Municipal Revenues



Approximately \$1 of Every \$25 to \$30 in Tourism Expenditures Flows to the Municipal Sector

Case in Point – 2005 York Region Tourism Budget

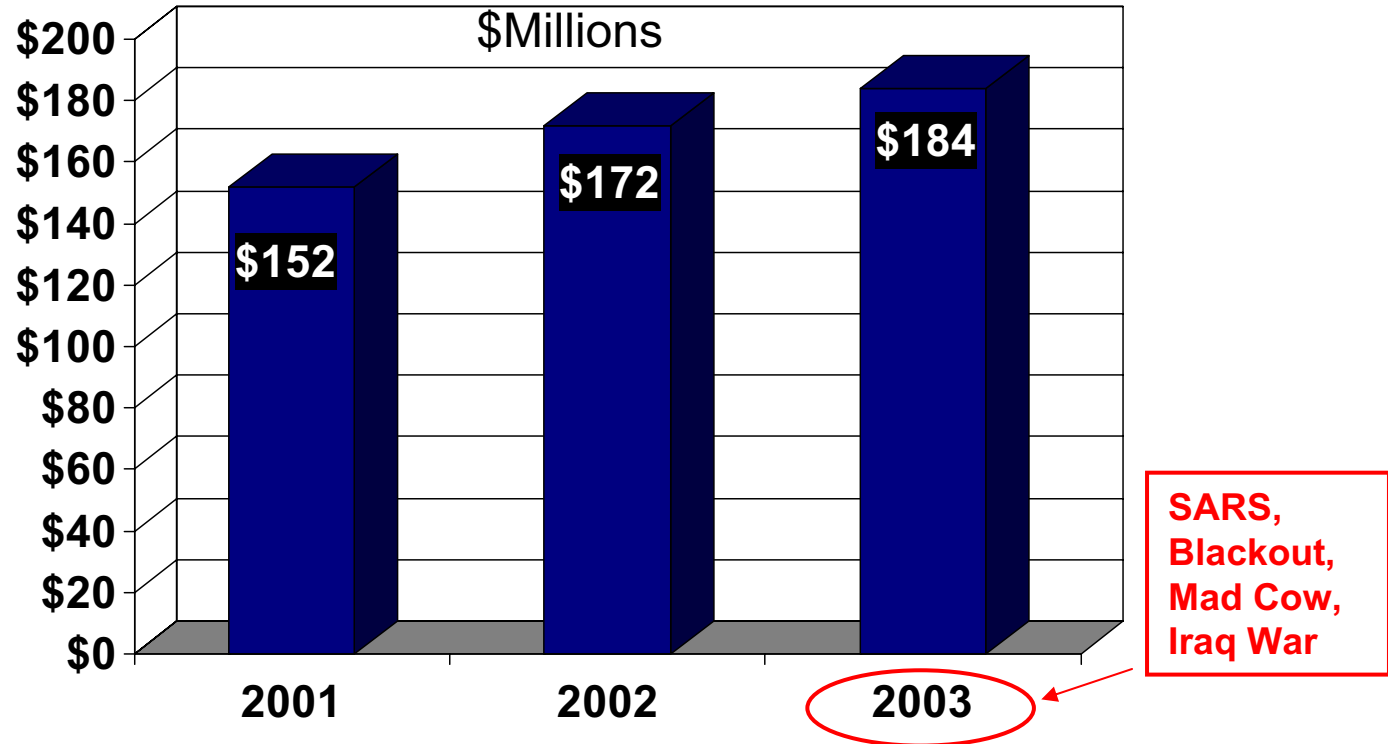
York Region Contribution	\$261,000
Revenue from Advertising	\$160,000
Partnership with Tourism Toronto*	<u>\$250,000</u>
Total Tourism Promotion Budget	\$671,000

Every \$1 spent by York, generates \$1.60 in tourism promotion from other sources

New Source of Private Tourism Promotion Revenue Initiated in 2005

* Tourism Toronto collects a voluntary fee from most hotels in the GTA. They have established partnerships with York Region and the City of Mississauga to promote Tourism in the GTA.

Visitor Spending in York Region



\$184 Million in Spending Translates into \$6.7 Million in Municipal Revenues

\$32 Million Spending Growth Translates into \$1.2 Million in Municipal Revenues

Study Objectives

1. Develop Understanding of Vaughan's Tourism Market Context
2. To Assess Vaughan's Tourism Capabilities and Gaps
3. Articulate Vaughan's Tourism Products into Themes
4. Develop a Strategy to Attract Tourism Investment
5. Develop an Action Plan for the City

Vaughan's Existing Tourism Situation



An Extensive Product Offering of Top Attractions – But Not Recognized as Tourist Destination

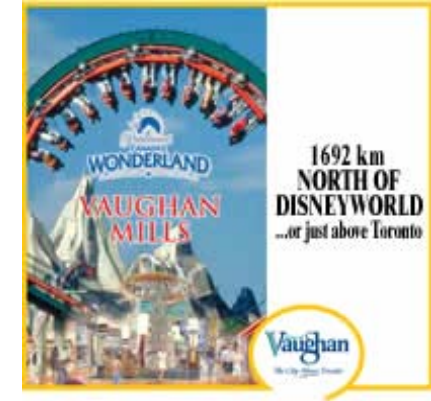
urbanMetrics inc.

market, economic and strategic advisors

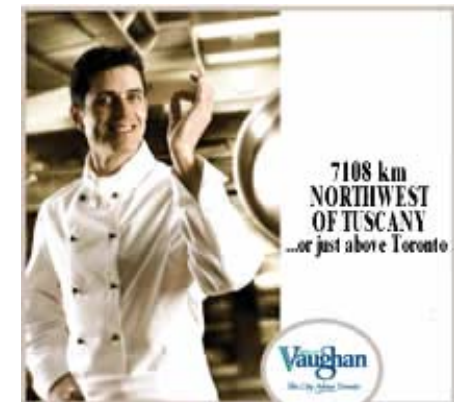
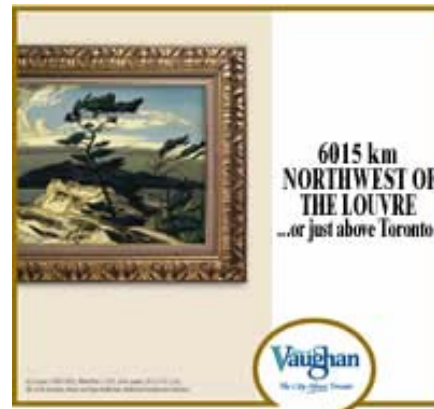
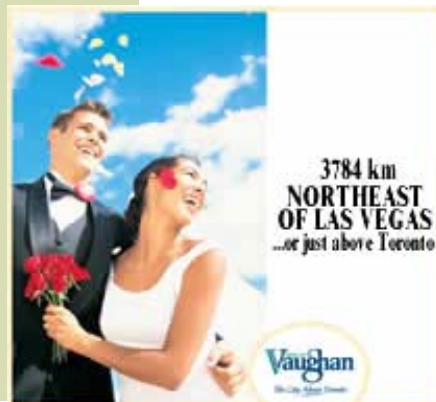
Vaughan is Overshadowed as a Visitor Destination in the GTA



Vaughan Should Be Recognized as an Important Partner in Regional Tourism



Toronto is not the only place in the Region to find “Must See” Attractions . . .



urbanMetrics inc.

market, economic and strategic advisors

SWOT ANALYSIS

<i>Strengths</i>	<i>Weaknesses</i>
<ul style="list-style-type: none"> • Mega attractions exposing city to large visitor volumes • Extensive market within driving distance • Excellent access to 400 series highway system • Proximity to airport • Extensive variety of restaurants (cuisines, formats, price points) • Full range of attractions to meet all age groups 	<ul style="list-style-type: none"> • Cross visitation not occurring from large attractions • Emerging municipality still cultivating its civic pride and commitment • No unified image of Vaughan as tourist destination • Multi-community development pattern (No clear centre of social and cultural activity) • No major event to draw from outside local communities • Vaughan as a tourist destination is overshadowed by Toronto • Lack of information and directional signage on major routes • More hotel rooms needed to support attractions and businesses • No major facilities to host/accommodate large indoor sports, cultural or trade events • Many of Vaughan's attractions are difficult to access without a car
<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> • Visiting friends and relatives market • Rapidly growing population in Vaughan and GTA • Ethnic tourism and new GTA residents exploring the region • Capitalize on York University students • Vaughan Corporate Centre • Rapidly growing employment base • Wedding/banquet market • New Argo Stadium at York University • Tennis Canada at York University • Rapid transit proposals • New Vaughan Civic Centre will become a new focal point for community and other special events 	<ul style="list-style-type: none"> • On-going land development is a threat to wineries/agri-tourism/outdoor recreation • Paramount has announced its plans to sell its portfolio of theme parks (new ownership) • Major investments in Toronto attractions – Art Gallery, ROM, Opera House, Hummingbird Centre etc. will strengthen the captive hold that the central area has on tourist activities • US Market threatened by rising dollar and strained political relations

Target Markets

- **Visiting Friends and Relatives (VFR)**
 - Largest portion of visits to Vaughan
 - Cost effective means to reach overseas visitors

To capitalize on VFR market City and Attractions need to focus on local hosts



Target Markets

- **GTA Market**
 - People living within 40 KMs
 - Tourists Visiting Toronto
 - Significant dimension of the customer base

To expand the GTA market base, City and Attractions need to focus on local media channels.



Target Markets

- **South & Central Ontario**
 - People coming to Toronto, without having to deal with downtown congestion.
 - Peterborough, Barrie, Sudbury, N. Bay Kingston, KW, London.



Target Markets

- **Families**
 - Opportunities to stick together.
 - Opportunities to split up into smaller parties.

Vaughan offers excellent product diversity to cater to every segment of the market



Target Markets

- **Seniors & Empty-nesters**
 - More leisure time.
 - Flexibility to travel in “off-peak” seasons.



Target Markets

- **US / International Visitors**
 - 7% of visitation = 40% of spending.
 - Stay longer. Spend more.



Strategic Directions

1. Improve Directional Signage

- *continue to work with local, regional and provincial gov't ministries to develop improved (and integrated) tourism directional signage.*



Strategic Directions

2. Attract Hotels and Improve Cross-promotional Channels

- *recognition of the critical role that hotels play in ec.dev.*
- *Ensure that hotels reinforce the strength and vitality of the entire Vaughan tourism and hospitality sector.*



Strategic Directions

3. Build Brand Awareness in Vaughan, GTA, SW/Central Ont.

- *City's ads are award winning*
- *Campaign effectively covers off existing core strengths*
- *Campaign can be tailored to future events.*



Strategic Directions

4. Convert Vaughan Residents into Ambassadors for Attractions

- *Better Communication with residents*
- *Roll out of special privileges or incentives.*



Strategic Directions

5. Spearhead Package Deals & Partnerships

- *Maintaining relationships and fostering business alliances is a built in feature of Vaughan's business development agenda*
- *Tourism cannot be an exception to this role.*



Strategic Directions

6. Facilitate Best in Class Community Events & Festivals

- *Provide technical and planning support to community event organizers*
- *Ensure that City resources are adequately deployed.*



Strategic Directions

7. Spearhead Signature Events

- *Promote Vaughan to outside sports, cultural and corporate event planners.*
 - *Provincial / National Championships*
 - *High-school / Amateur / Professional caliber*
 - *Food and Beverage Festivals*
- *Requires a local champion to match facilities with promoters*



What Other Municipalities are Doing

	York Region	Durham Region
Budget	\$671,000 (Total) \$261,000 (Region) \$410,000 (Others)	\$145,000 (Total Excluding 2 Salaries) \$95,000 (Region) \$50,000 (Private Sources) Plus Visitors Guide (Self Funded Through Advertising)
Target Markets	<ul style="list-style-type: none"> • GTA and Southern Ontario • Overnight Stays • Repeat Visitors 	<ul style="list-style-type: none"> • 2 Hour Drive Time • Ontario
Actions	<ul style="list-style-type: none"> • Web Site • Tourist Guide • Tourism Ads • Tourism Information • Assist Tour Operators • Electronic Info Centre • Premier Ranked Initiative • Develop Packaging • Develop Partnerships 	<ul style="list-style-type: none"> • Web Site • Visitors Guide • Brochures • Fishing Maps • Trade Shows • Advertisements in Consumer Magazines • Website • Radio
Staffing	<ul style="list-style-type: none"> • Tourism Promotion Co-ordinator • 1 Support Staff 	<ul style="list-style-type: none"> • Tourism Manager • Tourism Co-ordinator

What Other Municipalities are Doing

	Other York Municipalities	Oakville	Brampton	Mississauga
Budget	None	Not Available	\$135,000 (Total Excluding Salaries) \$10,000 from Private Sector	\$1,000,000 (Total) \$340,000 (Mississauga) \$660,000 (Other Sources)
Target Markets		<ul style="list-style-type: none"> Waterfront and Downtown Tourism 	<ul style="list-style-type: none"> Mid-sized Conferences Sports Tourism Corporate Market 	<ul style="list-style-type: none"> Business Tourism Meetings Trade Shows Sports Tourism
Actions	<ul style="list-style-type: none"> Web Sites Markham may be considering a tourism strategy, but is not likely to start a tourism department in the near future. 	<ul style="list-style-type: none"> Web Site Tourist Guide Print Media Tourism Magazines Local Newspaper 	<ul style="list-style-type: none"> direct mail phone calls face to face meetings bidding for sporting tournaments 	<ul style="list-style-type: none"> Web Site Print and Radio Ads Brochure Tourist Information Industry Events Trade Show Program Corporate Meetings Program Travel Trade Program
Staffing	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> OEDA Manager of Marketing and Promotion (50% Time Devoted to Tourism) Support Staff as Required 	<ul style="list-style-type: none"> Tourism Manager Manager (Shared) Promotion Specialist (Contract) 	<ul style="list-style-type: none"> 2 City Staff 2 Full-time Contract 2 Part-time Contract

Recommended Actions

Immediate Actions

1. Branding Vaughan as a Visitor Destination
2. Directional and Promotional Signage
3. Tourism Ambassador Program
4. Marketing to Vaughan and GTA Residents
5. Participate in Vaughan Corporate Centre Planning
6. Development of Tourism Packages

Recommended Actions

Medium to High Priority Actions

7. Attraction of Hotels
8. Building Best in Class Festivals

Medium Priority Actions

9. Spearheading Vaughan Major Event
10. Marketing to Specific Markets

Recommended Actions

On-going Actions

11. Monitoring and Reporting
12. Business Development and Attraction
13. Tourism Advisory Committee

Recommended 5 Year Action Plan

2006	2007	2008	2008	2009
<ul style="list-style-type: none"> • Hire Tourism Manager • Develop Tourism Brochure • Identify/Develop Packaging • Identify Signage Opportunities • Attend Selected Industry Events • Assist Vaughan Tourism Advisory Committee • Assist with Tourism Business Attraction 	<ul style="list-style-type: none"> • Hire Tourism Co-ordinator • Develop Tourism Ambassador Program • Partner with Industry/Province/Region on Signage Initiatives • Implement Packaging Opportunities • Work with City to Develop Brand • Increase Advertising • Attend Selected Industry Events • Assist Vaughan Tourism Advisory Committee • Assist with Tourism Business Attraction 	<ul style="list-style-type: none"> • Ambassador Program Kick-off • Identify/Implement Opportunities to Grow Festivals • FAM Tours for Tourism Investors • Monitor and Respond to Signage Opportunities • Continue to Develop Packaging Opportunities • Continue with Branding • Maintain Advertising • Attend Selected Industry Events • Assist Vaughan Tourism Advisory Committee • Assist with Tourism Business Attraction 	<ul style="list-style-type: none"> • Maintain Ambassador Program • Implement Target Marketing • Continue to Work with Grow Festivals • FAM Tours for Tourism Investors • Monitor and Respond to Signage Opportunities • Continue to Develop Packaging Opportunities • Continue with Branding • Maintain Advertising • Attend Selected Industry Events • Assist Vaughan Tourism Advisory Committee • Assist with Tourism Business Attraction 	<ul style="list-style-type: none"> • Maintain Ambassador Program • Implement Target Marketing • Continue to Work with Grow Festivals • FAM Tours for Tourism Investors • Monitor and Respond to Signage Opportunities • Continue to Develop Packaging Opportunities • Continue with Branding • Maintain Advertising • Attend Selected Industry Events • Assist Vaughan Tourism Advisory Committee • Assist with Tourism Business Attraction
<p>Budget: \$200,000 Bash (2004): \$100,000 Bash (2005): \$100,000</p>	<p>Budget: \$300,000 Vaughan: \$150,000 Bash: \$100,000 Advertising: \$50,000</p>	<p>Budget: \$300,000 Vaughan: \$150,000 Bash: \$100,000 Advertising: \$50,000</p>	<p>Budget: \$300,000 Vaughan: \$150,000 Bash: \$100,000 Advertising: \$50,000</p>	<p>Budget: \$300,000 Vaughan: \$150,000 Bash: \$100,000 Advertising: \$50,000</p>

Proposed Vaughan Strategy vs. Other Municipalities

	Vaughan (Year 2 +)	York Region	Durham Region	Mississauga	Brampton
Staffing	<ul style="list-style-type: none"> • Tourism Manager • Tourism Coordinator 	<ul style="list-style-type: none"> • Tourism Co-ordinator • Support Staff 	<ul style="list-style-type: none"> • Tourism Manager • Tourism Co-ordinator 	<ul style="list-style-type: none"> • 2 City Staff • 2 Full-time Contract • 2 Part-time Contract 	<ul style="list-style-type: none"> • Tourism Manager • Shared Manager • 1 Contract
Total Budget	\$300,000	\$671,000	\$145,000 + Salaries	\$1,000,000	\$135,000 + Salaries
Municipal Contribution:	\$150,000	\$261,000	\$95,000 + Salaries	\$340,000	\$125,000 + Salaries