

## Committee of the Whole (2) Report

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**DATE:** Wednesday, March 8, 2023      **WARD(S):** ALL

**TITLE:** TOURISM VAUGHAN ACTION PLAN - 2023

**FROM:**

Nick Spensieri, City Manager

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

**ACTION:** DECISION

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**Purpose**

On behalf of the Tourism Vaughan Corporation (TVC) Board of Directors (TVC Board), this report seeks Council ratification of the TVC's 2023 Action Plan and Budget, as approved by the TVC Board on February 15, 2023.

**Report Highlights**

- On February 15, 2023, the TVC Board of Directors adopted the 2023 Action Plan and Budget, subject to the approval of TVC's Voting Member, Vaughan City Council.
- In accordance with the Memorandum of Agreement (MOA) between the Corporation of the City of Vaughan and the TVC, the creation and management of business plans is the responsibility of the TVC Board. As sole voting member, the MOA states that the TVC Board will obtain Council approval of the TVC Business Plan and Budget as part of the City's annual budget approval process by no later than March 31st of each year.
- The 2023 TVC Action Plan is directed by the Council-approved Vaughan Destination Master Plan and plays a role in the 2020-2023 Economic and Cultural Development Strategic Business Plan.

## **Recommendation**

1. THAT the Tourism Vaughan Corporation (TVC) 2023 Action Plan and Budget be ratified, as presented in Attachment 1 of this report.

## **Background**

The Tourism Vaughan Corporation (TVC) is Vaughan's destination marketing and development organization (DMO) with the mission to develop and promote Vaughan as a tourist destination for visitors and business travelers. To achieve these goals, the TVC's plan and budget utilize 50% of the revenues generated by the Vaughan Municipal Accommodation Tax (MAT) pursuant to By-law 029-2019.

The TVC began operations in Q4 of 2019.

***As a municipal services corporation, the TVC is operated by city staff within the City of Vaughan's Economic Development Department in the Office of Chief, Communications and Economic Development (City Manager's Office).***

The TVC is guided by the following Council-approved initiatives

- The City of Vaughan's Term of Council Strategic Plan
- The 2020-2023 ECD Strategic Business Plan
- The Vaughan Business Resilience Plan - an addendum to ECD's existing business plan because of the COVID-19 pandemic to build readiness, resourcefulness, and resilience into Vaughan's business community, inclusive of the tourism sector.
- The Vaughan Destination Master Plan
- Advantage Vaughan – Phase 3 of the City's Economic Development response to the pandemic

***On February 15, 2023, the TVC hosted its first Board of Directors meeting of the year where the Board adopted an Action Plan and Budget, subject to the approval of the Voting Member of the TVC.***

In accordance with the Memorandum of Agreement between the Corporation of the City of Vaughan and the TVC, the creation and management of business plans are the responsibility of the TVC Board. As sole voting member, the MOA states that the TVC Board will obtain Council approval of the TVC Business Plan and Budget as part of the City's annual budget approval process by no later than March 31st of each year with a business plan.

***The Council-approved Vaughan Destination Master Plan (VDMP) lays out a comprehensive plan for the development of Vaughan’s tourism-related industry cluster and serves as the basis for the TVC Action Plan.***

In October 2021, the VDMP was approved by Council. The VDMP sets out a strong organizational foundation to guide industry partners and municipal investment and to develop Vaughan as a premier destination over the next five years. It recommends specific action items to enhance visitor attraction, infrastructure, physical assets, and visitor experience programs and services.

The plan identifies five strategic priorities upon which the Tourism Vaughan Action Plan has been developed:

1. governance and city policy framework;
2. product development;
3. partnerships;
4. marketing & communications; and
5. research and data analysis.

As outlined in Attachment 1, Tourism Vaughan has already achieved results under the VDMP.

### **Previous Reports/Authority**

[Committee of the Whole \(2\) Report Extract – Appointment of Tourism Vaughan Corporation Board of Directors for 2022-2026 Term \(December 12, 2022\)](#)

[Committee of the Whole \(2\) Report Extract – Tourism Vaughan 2022 Business Plan and Budget \(March 8, 2022\)](#)

[Committee of the Whole \(2\) Report Extract - Vaughan Destination Master Plan \(October 13, 2021\)](#)

[Ready, Resilient and Resourceful Committee Report Extract – Vaughan Business Resilience Plan – June 23, 2020](#)

[Committee of the Whole \(2\) Report Extract – Strategic Business Plan for Economic and Cultural Development, 2020-2023 \(September 24, 2019\)](#)

[City of Vaughan By-Law 029-2019 - Municipal Accommodation Tax](#)

## **Analysis and Options**

***The 2023 Action Plan and Budget supports Tourism Vaughan's mandate and advances the VDMP.***

Attachment 1 outlines the various initiatives that the TVC will undertake in 2023 to help our local tourist economy grow. Highlights include:

- A summer and winter/shoulder season promotional campaign to raise the profile of Vaughan as a destination. This will be based on key destination development initiatives like:
  - Partner assets including the Vaughan International Film Festival, McMichael Canadian Art Collection exhibits, festivals and events such as the Canada Day and Concerts in the Park activations, beautification efforts, etc.
  - Relaunch social media channel @visitvaughan Instagram
  - Refresh HostInVaughan.ca and relaunch VisitVaughan.ca website
- An ambassador development program in partnership with Central Counties Tourism
- Webinars and communication toolkits for local operators in partnership with Economic Development
- Introduction of a Tourism Festival and Sports Events hosting grant and partnership funding program in preparation for the 2024 Summer events season.

## **Financial Impact**

The expenditures to support the business plan are funded from revenues collected under the Vaughan Municipal Accommodation Tax (MAT), pursuant to applicable City By-law 029-2019 and Ontario Regulations.

Regulation 435/17 prescribes that municipalities without a Destination Marketing Fee, like the City of Vaughan, are required to share at least 50% of the MAT revenue, net of reasonable administration costs, to be dedicated to tourism promotion and development of tourism products by an eligible tourism entity – Tourism Vaughan.

The following revenue and expenditures statement identifies line items in support of 2023 key activities and operations. The projection outlined for 2023 Municipal Accommodation Tax Collection is based off prior year actual collections in order to maintain a reasonable baseline and tempering expectations resulting from the observed rebound in travel spending during 2022, due in part to temporary incentives like the Provincial Staycation Tax Credit, which is no longer available during 2023. The 2022

year-ended actual MAT collections were \$2,834,266 compared to a budgeted projection of \$2,336,000.

Table 1: 2023 Operating Budget - TVC

<b>Tourism Vaughan Operating Statement</b>	<b>2023 Budget</b>
<b>Revenue</b>	
Total Municipal Accommodation Tax Collection	2,668,904
<b>TVC Portion 50% of Revenue</b>	<b>1,334,452</b>
<b>TOTAL REVENUE</b>	<b>1,334,452</b>
<b>Operating Expenses</b>	
Labour*	452,415
Marketing and Promotions	260,000
Destination Development Programming	378,000
Professional Memberships	40,000
Transfer from City of Vaughan for MAT administration	17,000
Other Administration Costs	12,000
Marketing contract staff	170,000
<b>TOTAL EXPENSES</b>	<b>1,329,415</b>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>5,037</b>
<b>Tourism Vaughan Net Financial Assets</b>	
Estimated Opening Balance in Net Financial Assets	1,536,160
Increase in Net Financial Assets	5,037
<b>ESTIMATED NET FINANCIAL ASSETS, END OF PERIOD</b>	<b>1,541,197</b>

\* Economic Development staff contribute more than \$115,000 in time to offset operational costs to the TVC, which is not included within the Labour expenses above. The Labour expenses also do not include inputs from Legal and Corporate and Strategic Communications, nor the time of the Board Members.

## **Broader Regional Impacts/Considerations**

To ensure strategic alignment and a regional approach to tourism, the 2023 TVC Action Plan was developed in consultation with the 2023 strategies of local partners such as Central Counties Tourism (Regional Tourism Organization 6), York Region Arts Council, and provincial and national tourism organizations such as Destination Ontario and Destination Canada.

## **Conclusion**

As the sole voting member of the new Tourism Vaughan Corporation, Council has the responsibility to approve the corporation's business plan and budget, as discussed in this report.

With approval of the recommendations in this report, Council will continue to support the growth of the local tourism industry.

**For more information**, please contact: Don De Los Santos, Manager, Economic Services, extension 8874.

### **Attachments**

1. Tourism Vaughan Action Plan 2023 – February 15, 2023
2. Tourism Vaughan Board of Directors Presentation – February 15, 2023

### **Prepared by**

Don De Los Santos, Manager, Economic Services, extension 8874.

### **Approved by**



Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and CFO



Nick Spensieri, City Manager