

## Committee of the Whole (2) Report

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**DATE:** Tuesday, March 19, 2024

**WARD(S):** ALL

**TITLE:** TOURISM VAUGHAN ACTION PLAN - 2024

**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 2024 Action Plan and Budget, as approved by the TVC Board on January 31, 2024.

**Report Highlights**

- On January 31, 2024, the TVC Board of Directors adopted the 2024 TVC 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 2024 TVC Action Plan is directed by the Council-approved Vaughan Destination Master Plan and plays a role in the Economic Development Strategic Business Plan.

## **Recommendations**

1. THAT the Tourism Vaughan Corporation (TVC) 2024 Action Plan and Budget, as presented in Attachment 1 of this report, be approved.

## **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 Economic Development Strategic Business Plan
- The Vaughan Destination Master Plan

***On January 31, 2024, 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 – Tourism Vaughan 2023 Business Plan and Budget \(March 8, 2023\)](#)

[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 - Strengthening and Advancing Small Business and Entrepreneurship Services \(March 8, 2022\)](#)

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

[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 2024 Action Plan and Budget supports Tourism Vaughan’s mandate and advances the VDMP. It was approved by the TVC Board of Directors for submission to the voting member of the corporation (Vaughan Council).***

Attachment 1 outlines the various initiatives that the TVC will undertake in 2024 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, culinary tourism, beautification efforts, etc.
  - Refresh HostInVaughan.ca and relaunch VisitVaughan.ca websites
- Marketing campaigns and participation in trade shows that focus on increasing business events, conferences and sports tournaments
- An ambassador development program in partnership with Central Counties Tourism
- Webinars and communication toolkits for local operators in partnership with Economic Development
- Launch the Host in Vaughan Grant program for tourism festival and sports events hosting and partnership funding in preparation for the 2024 Summer events season (\$230,000 initial year funding envelope with draft program guidelines included as Attachment 3).
  - This is in alignment with the Council-approved recommendation, on March 22, 2022, that the Manager, [Economic Services] (or designate) or City Clerk be authorized to execute agreements, as required during the 2022-2026 time frame related to awarding grants and/or sponsorship funding to eligible individuals and organizations through programs funded by the Federal Government, Province of Ontario, Regional Municipality of York, or non-governmental organizations (NGOs), and administered by the City of Vaughan

## **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 2024 key activities and operations. The projection outlined for 2024 Municipal Accommodation Tax Collection is based off prior year actual collections and industry

trends analysis prepared by CBRE Valuation & Advisory Services, presented in Attachment 4. The 2023 year-ended actual MAT collections were \$3,729,360 compared to a budgeted projection of \$2,668,904.

Table 1: 2024 Operating Budget - TVC

<b>Tourism Vaughan Operating Statement</b>	<b>2024 Budget</b>
<b>Revenue</b>	
Total Municipal Accommodation Tax Collection	3,859,000
<b>TVC Portion 50% of Revenue</b>	<b>1,929,500</b>
<b>TOTAL REVENUE</b>	<b>1,929,500</b>
<b>Operating Expenses</b>	
Labour*	731,838
Marketing and Promotions	395,000
Destination Development Programming	525,000
Professional Memberships	15,000
Transfer from City of Vaughan for MAT administration	22,000
Other Administration Costs	40,000
Marketing contract staff	135,000
<b>TOTAL EXPENSES</b>	<b>1,863,838</b>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>65,662</b>
<b>Tourism Vaughan Net Financial Assets</b>	
Estimated Opening Balance in Net Financial Assets	2,382,824
Increase in Net Financial Assets	65,662
<b>ESTIMATED NET FINANCIAL ASSETS, END OF PERIOD</b>	<b>2,448,486</b>

\* Economic Development staff contribute more than \$119,000 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 Communications, Marketing and Engagement, nor the time of the Board Members.

### Operational Impact

None.

### Broader Regional Impacts/Considerations

To ensure strategic alignment and a regional approach to tourism, the 2024 TVC Action Plan was developed in consultation with the 2024 strategies of local partners such as Central Counties Tourism (Regional Tourism Organization 6), and provincial and national tourism organizations such as Destination Ontario and Destination Canada.

## **Conclusion**

As the sole voting member of the 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 2024 Action Plan, January 31, 2024
2. Tourism Vaughan 2024 Action Plan - Board of Directors Presentation, January 31, 2024
3. Host in Vaughan Grant Application Guidelines Draft, January 31, 2024
4. MAT Revenue Assessment and Projections for the City of Vaughan, CBRE Valuation & Advisory Services, February 2, 2024

## **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