

Committee of the Whole (2) Report

DATE: Tuesday, February 11, 2025

WARD(S): ALL

TITLE: TOURISM VAUGHAN ACTION PLAN - 2025

FROM:

Micheal Genova, Deputy City Manager, Strategic Initiatives

ACTION: DECISION

Purpose

On behalf of the Tourism Vaughan Corporation (TVC) Board of Directors (TVC Board), this report seeks Council ratification of the TVC's 2025 Action Plan and Budget as approved by the TVC Board on January 15, 2025.

Report Highlights

- As a municipal services corporation, the TVC is operated by city staff within the City of Vaughan's Economic Development Department in the Strategic Initiatives Portfolio.
- On January 15, 2025, the TVC Board of Directors adopted the 2025 TVC Action Plan and Budget, subject to the approval of TVC's Voting Member, Vaughan City Council.
- 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.
- The TVC is wholly funded by the encumbered portion (50%) of the Municipal Accommodation Tax (MAT). Since the inception of the MAT in 2019, the City has collected more than \$14M in total.
- The 2025 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).

Recommendations

1. THAT the Tourism Vaughan Corporation (TVC) 2025 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 Strategic Initiatives Portfolio.

The TVC is guided by the following Council-approved initiatives:

- The City of Vaughan's Term of Council Strategic Plan
- The Economic Development Action Plan
- The Vaughan Destination Master Plan

On January 15, 2025, 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 31 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.

The TVC is wholly funded by the encumbered portion (50%) of the Municipal Accommodation Tax (MAT). Since the inception of the MAT in 2019, the City has collected more than \$14M in total.

Through legislation, the MAT is split between the encumbered portion and the unencumbered portion. A destination marketing and development organization must manage the encumbered portion, and the municipality is assigned the unencumbered portion to offset costs associated with municipal growth, destination development and management.

	Total Collections
2019	\$2,117,140
2020	\$624,660
2021	\$1,315,784
2022	\$2,834,266
2023	\$3,729,360
2024 (estimate)	\$3,830,784
Total	\$14,451,994

Figure 1: MAT Collections

Previous Reports/Authority

[Committee of the Whole \(Working Session\) Report Extract – Vaughan Economic Development Action Plan, 2023-27 \(April 10, 2024\)](#)

[Committee of the Whole \(2\) Report Extract – Tourism Vaughan 2024 Business Plan and Budget \(March 19, 2024\)](#)

[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 - Vaughan Destination Master Plan \(October 13, 2021\)](#)

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

Analysis and Options

The 2025 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 2025 to help our local tourist economy grow. Highlights include:

- Supporting the City Auditors 2025 assessment of the Municipal Accommodation Tax enforcement audit
- Launching two Host in Vaughan Grant intake periods in 2025 to support summer and shoulder season activations
- Developing and launching a Tourism Servicing Portal to enhance the benefit of selecting Vaughan as a host destination for festivals, events, conferences and sporting tournaments
- Supporting the openings of two new accommodations, the transfer of one accommodation and the major renovation of one accommodation
- Executing marketing campaigns that focus on increasing business events and conferences and sports tournaments
- Growing culinary tourism in Vaughan by working with the Culinary Tourism Alliance, and exploring opportunities with MICHELIN to add more Vaughan restaurants to the Guide
- Delivering regular insight into the tourism industry, including quarterly reporting of Vaughan accommodations occupancy rate, MAT remittances and related data

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 2025 key activities and operations. The projection outlined for 2025 Municipal Accommodation Tax Collection is based off prior year actual collections and industry trends analysis prepared by CBRE Valuation & Advisory Services, presented in Attachment 3. The 2024 year-ended actual MAT collections are estimated to be \$3,830,784 compared to a budgeted projection of \$3,859,000.

Tourism Vaughan Operating Statement		2025 Budget
Revenue		
Total Municipal Accommodation Tax Collection**		4,267,000
TVC Portion 50% of Revenue		2,133,500
TOTAL REVENUE		2,133,500
Operating Expenses		
Labour*		877,806
Marketing and Promotions		550,000
Destination Development Programming		575,000
Professional Memberships		20,000
Transfer from City of Vaughan for MAT Administration		33,436
Other Administration Costs		40,000
TOTAL EXPENSES		2,096,242
EXCESS OF REVENUE OVER EXPENSE		37,258
Tourism Vaughan Net Financial Assets		
Estimated Opening Balance in Net Financial Assets		2,998,216
Increase in Net Financial Assets		37,258
ESTIMATED NET FINANCIAL ASSETS, END OF PERIOD		3,035,474
* Economic Development staff contribute more than \$126,000 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.		
** Revenue for 2025 is an estimate based on third-party analysis.		

Figure 2: 2025 Operating Budget – TVC

Operational Impact

None.

Broader Regional Impacts/Considerations

To ensure strategic alignment and a regional approach to tourism, the 2025 TVC Action Plan was developed in consultation with the 2025 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, Senior Manager, Economic Services, extension 8874.

Attachments

1. Tourism Vaughan 2025 Action Plan, January 15, 2025
2. Tourism Vaughan 2025 Action Plan - Board of Directors Presentation, January 15, 2025
3. MAT Revenue Assessment and Projections for the City of Vaughan, CBRE Valuation & Advisory Services, February 2, 2024

Prepared by

Ashley Angeloni, Senior Tourism Development Officer, extension 8367
Don De Los Santos, Senior Manager, Economic Services, extension 8874