

Committee of the Whole (2) Report

DATE: Tuesday, May 13, 2025

WARD(S): ALL

TITLE: TOURISM VAUGHAN CORPORATION – 2024 YEAR IN REVIEW

FROM:

Michael Genova, Deputy City Manager, Strategic Initiatives

ACTION: FOR INFORMATION

Purpose

This report provides an update on key accomplishments from the programs and initiatives undertaken in 2024 by Tourism Vaughan in the Economic Development department.

Report Highlights

- The Tourism Vaughan Corporation (TVC) was founded in 2019 with the mission to develop and promote Vaughan as a tourist destination for visitors and business travelers.
- The Tourism Vaughan Corporation is wholly funded by the encumbered portion (50 per cent) of the Municipal Accommodation Tax (MAT). Since the inception of the Municipal Accommodation Tax in 2019, the City has collected more than \$14 million in total.
- As a municipal services corporation, the Tourism Vaughan Corporation is operated by City staff within the City of Vaughan's Economic Development department in the Strategic Initiatives Portfolio.
- The Council-approved Vaughan Destination Master Plan (VDMP) (Oct. 13, 2021) lays out a comprehensive plan for the development of Vaughan's tourism-related industry cluster and serves as the basis for the Tourism Vaughan Corporation Action Plan.
- In 2024, Vaughan's tourism sector sustained the growth it had experienced in 2023, reflected in the 2024 annual accommodation occupancy rate of 80.2 per cent when compared to 80.0 per cent in achieved in 2023.

Report Highlights continued

- In 2024, the Tourism Vaughan Corporation made progress on key initiatives in each of the five strategic priorities, as outlined in the Vaughan Destination Master Plan: governance and city policy framework; product development; partnerships; marketing and communications; and research and data analysis.
- The Tourism Vaughan Corporation Year in Review report provides a snapshot of upcoming projects that will prepare Vaughan's tourism industry for continued growth throughout 2025 in a sustainable, collaborative way.
- In 2025, the anticipated Municipal Accommodation Tax revenue is \$4,267,000.

Recommendations

1. THAT the Tourism Vaughan Corporation – 2024 Year in Review be received for information.

Background

The Tourism Vaughan Corporation (TVC) was founded in 2019 with the mission to develop and promote Vaughan as a tourist destination for visitors and business travelers.

TVC is Vaughan's destination marketing and development organization (DMO). To achieve these goals, the TVC's plan and budget utilize 50 per cent of the revenues generated by the Vaughan Municipal Accommodation Tax (MAT) pursuant to By-law 029-2019.

The TVC is wholly funded by the encumbered portion (50 per cent) of the MAT. Since the inception of the MAT in 2019, the City has collected more than \$14 million 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.

Annual MAT revenue (2019-2024)

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| \$2,117,140 | \$624,660 | \$1,315,784 | \$2,834,266 | \$3,729,360 | \$3,830,784 |

Figure 1: Annual Municipal Accommodation Tax Revenue (2019-24)

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 2022-2026 Term of Council Service Excellence Strategic Plan
- the Economic Development Action Plan
- the Tourism Vaughan Action Plan
- the Vaughan Destination Master Plan

The Council-approved Vaughan Destination Master Plan (VDMP) (Oct. 13, 2021) 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 and communications
5. research and data analysis

Previous Reports/Authority

[Committee of the Whole \(2\) Report Extract – Tourism Vaughan Action Plan – 2025 \(Feb. 11, 2025\)](#)

[Committee of the Whole \(2\) Report Extract – Tourism Vaughan Corporation – 2023 Year in Review \(June 18, 2024\)](#)

[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 Action Plan - 2024 \(March 19, 2024\)](#)

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

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

Analysis and Options

In 2024, Vaughan’s tourism sector sustained the growth it had experienced in 2023, reflected in the 2024 annual accommodation occupancy rate of 80.2 per cent when compared to 80.0 per cent in 2023.

Vaughan’s tourism sector remained steadfast in 2024, managing a slight increase from 2023 numbers despite challenges faced by Canada’s tourism sector. The continued shortage of labour in the tourism workforce, rising operational costs, and consumers’ decreasing disposable income due to inflation have impacted the sector’s growth.

When tourism regained momentum in 2023 following the global COVID-19 pandemic, it saw significant growth for the sector, leading to a record-breaking year for Vaughan accommodations since the implementation of the Municipal Accommodations Tax (MAT). However, the revival has since plateaued due to disposable spending restrictions on the consumer side, increased operational costs on the supplier side, and elevated inflation, which has hampered international visitation to Canada¹. Tourism-related pricing in 2023 was an estimated 18.5 per cent higher relative to 2019, which was well above the economy-wide inflation rate of 15.5 per cent for the same period². With disposable income decreasing and travel prices on the rise, consumers will require time to adjust to the market as it continues to face monetary challenges. Simply put, the ongoing cost-of-living crisis that communities across Canada are experiencing is impacting the tourism sector, in addition to other critical industries.

In 2024, the annual accommodations occupancy rate was 80.2 per cent, 0.2 percentage points higher than the 2023 occupancy rate³. Sustaining such a strong occupancy rate highlights the resiliency of Vaughan’s tourism businesses and its value as a destination of choice when people choose to travel, whether for leisure, sports tournaments or

¹ Tourism HR Canada, *The Future of Canada’s Tourism Sector, June 2024*

² Tourism HR Canada, *The Future of Canada’s Tourism Sector, June 2024*

³ Central Counties Tourism, *Hotel Data Report, December 2024*

business conferences. Despite the challenges the sector continues to face, the overall tourism outlook for Canada remains optimistic for long-term growth⁴.

Annual Accommodation Occupancy in Vaughan (2022-2024)

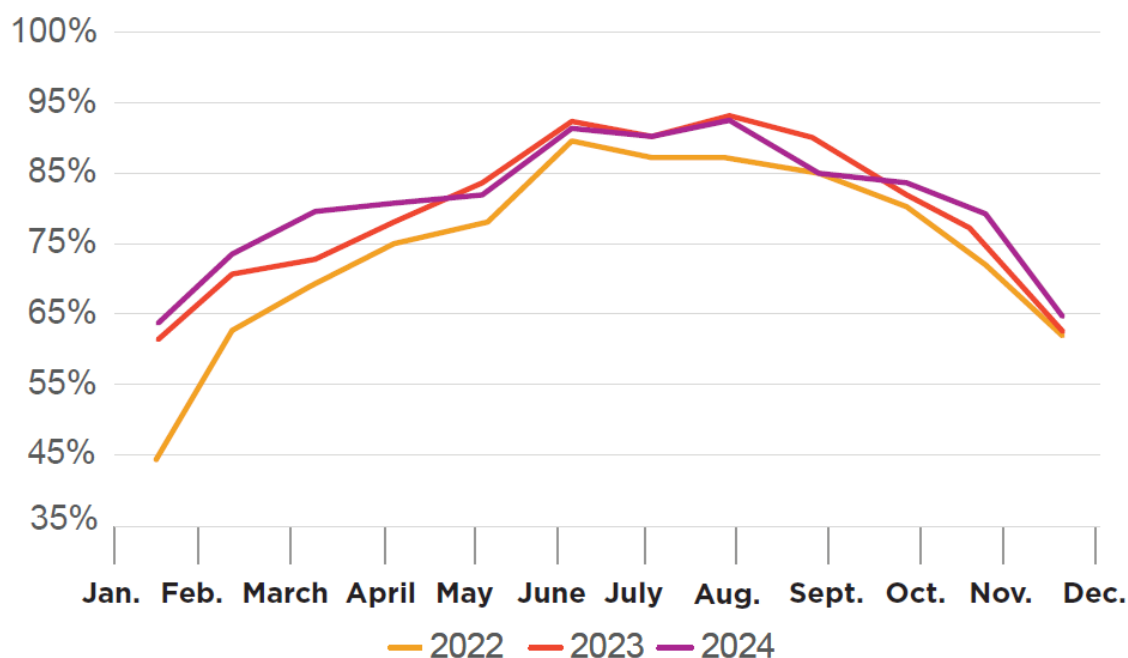


Figure 2: Annual Accommodation Occupancy in Vaughan (2022-24)

In 2024, the Tourism Vaughan Corporation made progress on key initiatives in each of the five strategic priorities, as outlined in the Vaughan Destination Master Plan: governance and City policy framework; product development; partnerships; marketing and communications; and research and data analysis.

Some highlights from 2024 include:

- Supported 271 leisure events, activations and festivals, 25 business conferences, 18 sports tournaments and serviced four familiarization tours, including the Sugarbush Maple Syrup Festival, Ontario Soccer Summit, Small Business Centres Ontario Conference, Vaughan Ribfest, Vaughan International Film Festival, Vaughan Latin Festival and Sukkot Toronto.
- Launched the Tourism Festival and Sports Events hosting grant and partnership fund (“Host in Vaughan Grant”) in April 2024, which awarded \$123,960 in grant

⁴ Tourism HR Canada, *The Future of Canada’s Tourism Sector*, June 2024

funding to 18 recipients, who, in turn, directly invested \$1.2 million in the local economy and generated an estimated \$2.5 million in economic impact.

- Supported beautification initiatives led by Public Works.
- Secured joint hosting rights of the Ontario Motor Coach Association (OMCA) Annual Marketplace 2025 event in Vaughan together with Markham. The two-day event will take place Nov. 3 to 5, 2025.
- Executed seasonal campaigns to drive leisure visitation using social, digital, out-of-home, print, and other owned channels, with a summer campaign that resulted in over 29 million impressions, over 55,000 engagements and over 60,000 website views.
- Tourism Vaughan's Instagram channel @visitvaughan gained 1,110 new followers compared to 2023 and had over 859,000 organic impressions with over 807,000 users reached. A total of 248 posts were made with an engagement rate of 5.11 per cent.
- Exhibited at four tradeshow – the Canadian Meeting and Events Expo, the Canadian Society of Association Executives Annual Conference, Canadian Special Events Live and OMCA Marketplace – with focuses on the group tour market, the sports market and the business conferences market to promote Vaughan as a premier destination.
- The 2024 year-ended actual MAT collections are estimated to be \$3,830,784 compared to a budgeted projection of \$3,859,000.
- Ongoing monitoring of occupancy data for accommodations, in which the annual occupancy rate remained consistent at 80.2 per cent in 2024 compared to 80.0 per cent in 2023.

See Attachment 2 – Tourism Vaughan Corporation – 2024 Key Accomplishments for a full list of initiatives achieved.

2025 Progress Update

The Tourism Vaughan Corporation Year in Review report provides a snapshot of upcoming projects that will prepare Vaughan's tourism industry for continued growth throughout 2025 in a sustainable, collaborative way.

In 2025, the Tourism Vaughan Corporation will continue to promote the city as a premier destination for overnight visitation in leisure, business, sports, and event markets. While challenges from 2024, such as inflationary pressures, remain, an added focus on product development and education will be key to the resiliency of Vaughan's tourism sector.

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.
- Launching the first iteration of the Vaughan Flavours Festival in the summer.
- 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.
- Supporting the promotion of the Vaughan Strong initiative, which helps identify local and Canadian-made goods in stores to support local businesses as they respond to U.S. tariffs.
- Delivering regular insight into the tourism industry, including quarterly reporting of Vaughan accommodations occupancy rate, MAT remittances and related data.

See Attachment 3 – Tourism Vaughan Corporation – 2025 Key Activities for a full list of current initiatives.

In 2025, the anticipated MAT revenue is \$4,267,000.

This does not account for the expected openings of two new accommodations and the transfer of another accommodation to a larger structure with more rooms over the next 18 months. This new inventory of rooms is expected to increase MAT remittances.

Financial Impact

None.

Operational Impact

None.

Broader Regional Impacts/Considerations

The Tourism Vaughan Corporation - 2024 Year in Review complements communications and outreach strategies to help raise the profile of Vaughan's economy. A copy of the publication will be uploaded on vaughanbusiness.ca and distributed to critical local/regional partners and stakeholders, such as Central Counties Tourism (Regional Tourism Organization 6), York Region Arts Council, Destination Ontario, Destination Canada, ministries, local and regional stakeholders, and prospective tourism activation opportunities. Sharing this publication with key stakeholders will help raise Tourism Vaughan's and the City's profile, attract new partners and investments, and support the expansion of the local tourism community.

Conclusion

The Tourism Vaughan Corporation continues to champion Vaughan as a premier overnight destination for leisure, sport and business travelers. In 2024, the TVC significantly increased the number of events it serviced, especially in the business conference and sports events space. Both marketing and in-person tradeshow participation have laid the foundation for building Vaughan's brand, and development programs will continue to reinforce the resiliency of Vaughan's tourism sector.

Staff recommend that Committee receive this TVC report outlining the achievement to date as information.

For more information, please contact Don De Los Santos, Manager, Economic Services, ext. 8874.

Attachments

1. Tourism Vaughan Corporation – 2024 Year in Review, Economic Development, May 13, 2025
2. Tourism Vaughan Corporation – 2024 Key Accomplishments
3. Tourism Vaughan Corporation – 2025 Key Activities

Prepared by

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