

Committee of the Whole (2) Report

DATE: Tuesday, March 8, 2022

WARD(S): ALL

TITLE: TOURISM VAUGHAN ACTION PLAN - 2022

FROM:

Nick Spensieri, City Manager

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

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 2022 Action Plan and Budget, as approved by the TVC Board on January 26, 2022.

Report Highlights

- On January 26, 2022, the TVC Board of Directors adopted the 2022 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 2022 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, and the Vaughan Business Resilience Plan.

Report Highlights continued

- The Tourism Vaughan Board of Directors is fulfilling Council's direction to include industry representation on the Board of Directors. The TVC is proposing a plan to include two industry representatives on the Board starting in the next term of Council (2022-2026), who are to be chosen from the Tourism Vaughan Advisory Committee.

Recommendations

1. THAT the Tourism Vaughan Corporation (TVC) 2022 Action Plan and Budget be ratified, as presented in Attachment 1 of this report; and
2. THAT the Board of Directors for the Tourism Vaughan Corporation be comprised of five members for the 2022-2026 Term of Council: three Councillors of the Voting Member and two industry representatives assigned from the Tourism Vaughan Advisory Committee.

Background

The Tourism Vaughan Corporation (TVC) is Vaughan's destination marketing 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 City-owned 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 January 26, 2022, 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.

At the January 26, 2022 Board Meeting, the TVC adopted a plan to expand the Board of Directors in response to direction from Council.

At the October 13, 2021 meeting of the Committee of the Whole (2), the TVC was directed to:

“Develop a plan, within the first 3 months, to incorporate industry members to the Board of Directors of the Tourism Vaughan Corporation.”

As a result, the Board has adopted the plan to welcome two additional Board members in the 2022-2026 Term of Council, to be assigned from the Tourism Vaughan Advisory Committee, which is made up of industry representatives.

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

[Committee of the Whole \(2\) Report – Tourism Vaughan Governance Review \(October 13, 2021\)](#)

[Committee of the Whole \(2\) Report – Tourism Vaughan 2021 Business Plan and Budget \(March 8, 2021\)](#)

[Committee of the Whole \(2\) Report - Tourism Vaughan Corporation 2020 Budget Revisions – Sept 22, 2020](#)

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

[Committee of the Whole \(2\) Report – 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 2022 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 2022 to help our local tourist economy grow. Highlights include:

- A summer and fall 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 Canada Soccer Championships, the Vaughan International Film Festival, the Vaughan International Music Festival, beautification efforts, etc.
 - The launch of a new VisitVaughan.ca website
 - The Province’s Staycation Tax Rebate

- An ambassador development program in partnership with Central Counties Tourism
- Webinars and communication toolkits for local operators in partnership with Economic Development

By expanding the Board in the 2022-2026 Term of Council, the TVC is not only following direction from Council, but also adopting industry standards as outlined in the VDMP.

Additionally, the recommendation from the Board of Directors to present to Council an expanded Board of Directors for 2022-2026 is a measured and responsible plan to bring the TVC in line with other municipalities. Other regional municipalities that have successfully incorporated private sector input within their organizational decision-making structure include:

1. Tourism Mississauga's Board of Directors has fourteen (14) Directors comprised of two (2) members of council, and twelve (12) external stakeholders; and
2. Destination Markham's Board of Directors consists of Twelve (12) Directors, comprised of eight (8) individuals to serve as independent Directors, and four (4) members of Council to serve as non-independent Directors.

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 2022 key activities and operations. The projection outlined for 2022 Municipal Accommodation Tax Collection is based off various inputs, including:

1. CBRE Tourism & Leisure Group's memo Projected MAT Collection, Vaughan, 2020-2022 (Attachment 3),
2. 2021 MAT submissions were double that of 2020: \$1,420,359.75, up from \$710,575.88.

Assuming a full-year MAT collection period in 2022, CBRE projects \$2,336,000 in total revenues with Tourism Vaughan's share at \$1,168,000. This is reasonable given the economic conditions and past performance of the MAT collection during the pandemic.

Table 1: 2022 Operating Budget – TVC

Tourism Vaughan Operating Statement		2022 Budget
Revenue		
Total Municipal Accommodation Tax Collection		2,336,000
TVC Portion 50% of Revenue		1,168,000
TOTAL REVENUE		1,168,000
Operating Expenses		
Labour*		383,529
Marketing and Promotions		430,000
Destination Development Programming		225,000
Canada Soccer Championships**		153,000
Professional Memberships		40,000
Transfer from City of Vaughan for MAT Administration		20,000
Other Administration Costs		12,000
TOTAL EXPENSES		1,263,529
NET LOSS		(95,529)
Tourism Vaughan Retained Earnings Statement		
Estimated Opening Balance in Retained Earnings		1,408,333
Less: Net Loss		(95,529)
ESTIMATED TOTAL RETAINED EARNINGS		1,312,805

*Economic Development staff contribute more than \$220,000 in time to offset operational costs to the TVC

**Staff in Economic Development are working to offset this cost with sponsorship and other revenue

Broader Regional Impacts/Considerations

To ensure strategic alignment and a regional approach to tourism, the 2022 TVC Action Plan was developed in consultation with the 2022 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: Raphael Costa, Director, Economic Development, extension 8891.

Attachments

1. Tourism Vaughan Action Plan 2022 – January 26, 2022
2. Tourism Vaughan Board of Directors Presentation – January 26, 2022
3. CBRE Projected MAT Collection, Vaughan, 2020-2022

Prepared by

Raphael Costa, Director, Economic Development, extension 8891.

Approved by



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

Reviewed by



Nick Spensieri, City Manager