

Business Plan 2021



TOURISM
vaughan

Table of Contents

Executive Summary	3
Preface	3
Continuing foundational work of 2020	3
2021 - a year of destination evolution and resilience	4
Organizational Structure	6
Mission Statement.....	6
Objectives.....	7
2021 Key Activities	8
Destination Development	8
1. Support Stakeholders & Industry Resilience.....	8
2. Develop a Destination Master Plan.....	8
3. Develop a multi-year Tourism Strategic Business Plan	8
4. Maintain Sustainable Funding.....	9
Destination Marketing	9
5. Engage Consumers & Form a Market Presence	9
Industry Relations	10
6. Leverage Partnerships & Resources	10
Governance.....	10
7. Support The TVC Board of Directors	10
8. Sustain Accountability & Transparency	10
Research.....	11
9. Advance Destination Research.....	11
2021 Revenue and Expenditures.....	12
2022 Operating Budget	13

Attachment 1 – City of Vaughan’s Economic and Cultural Development Business Plan 2020-2023

Attachment 2 – Tourism Vaughan Interim Meetings and Events Strategy

Attachment 3 – MEMO: Projected MAT Collection, Vaughan, 2020-2022, CBRE Tourism & Leisure Group

Executive Summary

PREFACE

The 2021 Tourism Vaughan Corporation (TVC / Tourism Vaughan) Business Plan was prepared in accordance with the TVC By-law No.1. To ensure strategic alignment and a regional approach to tourism, this plan was developed in consultation with the 2021 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. To best serve the tourism industry, Tourism Vaughan will achieve the activities outlined through this plan through a commitment to staying informed of the current and future impacts of the COVID-19 pandemic on the tourism industry in Vaughan. Staff will report to the Board should any changes need to be made to the objectives and/or tactics of this business plan.

Municipal Support & Planning

As a City-owned corporation, the TVC is supported by city staff that operate within the City of Vaughan's Economic & Cultural Development (ECD) Department. As such, the work of staff supporting the TVC is also directed by the 2020-2023 ECD Strategic Business Plan (Attachment 1).

As a result of the COVID-19 pandemic, an addendum to ECD's existing business plan was introduced through the [Vaughan Business Resilience Plan](#) to build readiness, resourcefulness, and resilience into Vaughan's business community, inclusive of the tourism sector. This 2021 Tourism Vaughan Business Plan was developed in accordance with these plans.

CONTINUING FOUNDATIONAL WORK OF 2020

Tourism Vaughan began operations on January 1, 2020. In its inaugural year, Tourism Vaughan established a business plan and budget for 2020 focused on the development of a strong strategic foundation in 2020 to power the destination and new organization forward with programs and services starting in 2021. The plan outlined eight key activities including development of a five-year Vaughan Destination Master Plan to ensure that TVC's investments were based on calculated and measurable strategies, formulated with and supported by the tourism industry and partners.

As a result of the COVID-19 pandemic commencing in March of 2020, only two months into Tourism Vaughan's inaugural year, TVC was forced to temporarily pause activities of the 2020 Business Plan to provide pandemic support to local industry partners.

Tourism Vaughan demonstrated swift resilience throughout the pandemic in 2020 and pivoted to deliver new products and services in consultation and collaboration with local industry stakeholders, and tourism partners such as CCT, Culinary Tourism Alliance, Experience York Region and Tourism Industry Association of Ontario.

Additionally, the City of Vaughan supported the local accommodations industry through business advisory services and the suspension of the Municipal Accommodation Tax, Tourism Vaughan's sole source of revenue, from March 17 until September 1, 2020. Due to the suspension and decreased demand for travel, 2020 revenue loss for Tourism Vaughan was estimated at nearly \$1.3 million. Accordingly, with approval of the TVC Board and City of Vaughan Council, [revisions to the TVC 2020 Budget and Business Plan](#) were made to reflect revenue losses, reallocate funds to deliver new COVID-19 support measures, and included an alternative source of revenue from the Regional Relief and Recovery Fund (RRRF) to offset losses.

Thus, in 2020 Tourism Vaughan delivered several newly added initiatives such as: a brand-new consumer webpage; a B2B industry newsletter; an interim corporate meetings and events strategy to attract future bookings; a culinary tourism campaign; an accommodations incentive campaign; connections to resources such as PPE and local charities; launched social media channels; and adopted the #SafeTravels stamp through destination-wide certification and development of a #SafeTravels Vaughan Business Toolkit.

By the end of 2020, Tourism Vaughan was able to resume some work on the originating tactics of the 2020 Business Plan to establish its organizational foundation. As such, the tactics of 2020 have been rolled into the 2021 Business Plan to strike balance between finalizing primitive work to establish the organization's foundation and newly added measures to support the industry during and after the pandemic.

2021 - A YEAR OF DESTINATION EVOLUTION AND RESILIENCE

Tourism Vaughan has entered its second year of operations during an unprecedented era for the tourism industry. The COVID-19 pandemic continues to severely impact the tourism industry with ongoing and ever-changing safety measures such as lockdowns, border closures, stay-at-home orders, travel bans, gathering limits and more. This has resulted in uncertainty within the sector and in the economy, particularly regarding recovery projections. Of most recent, experts at CBRE Hotels Research estimate that the Canadian accommodation industry will not see full recovery to 2019 performance metrics until 2023 to 2025, assuming that a vaccine is successfully rolled out and travel can resume.¹

Through these challenging times, destination marketing organizations (DMO) are faced with several challenges such as shifting travel restrictions, adverse traveler and local community sentiments, consumer shifts to digital platforms, increased business support needs, amplified local competition with the push for domestic travel, and ultimately a decreased demand for travel resulting in loss of income.

¹ [CBRE Hotels Canada Industry Outlook - COVID-19 Impact - October 2020](#)

Long-established DMOs have the benefit of an existing understanding of its identity and vision as destination with existing resources, programs, KPIs and services to pivot in response to the pandemic. As a new DMO, Tourism Vaughan is presented with challenges as it does not yet have this same pre-established understanding and resources, outside of those it developed in 2020.

This 2021 Business Plan is a continuation of the 2020 Business Plan to settle its foundation, with a transformational lens on how to best support the local industry now and in a post-pandemic-world.

Now more so than ever, it's essential for TVC to gain an understanding of Vaughan's identity as a destination and maintain an understanding of how travel is thought of and perceived throughout the pandemic. Through strong industry engagement and research, Tourism Vaughan must continually validate its messaging, strategies and tactics throughout 2021 against how travelers, residents, event planners etc. perceive Vaughan as a destination and gauge their overall mood toward travel in general. With this approach, TVC can make timely and knowledgeable decisions to ensure a safety-centric approach to destination marketing resulting in optimal tourism investment and support for the local stakeholders.

The 2021 Business Plan presents a theme of destination formation and transformation – a need for continual evolution to meet changing realities in the tourism industry to best support local Vaughan tourism partners and stakeholders.

This is proposed through the delivery of nine key activities:

Destination Development

1. Support Stakeholders & Industry Resilience
2. Develop a Destination Master Plan
3. Develop a multi-year Tourism Strategic Business Plan
4. Maintain Sustainable Funding

Destination Marketing

5. Engage Consumers & Form a Market Presence

Industry Relations

6. Leverage Partnerships & Resources

Governance

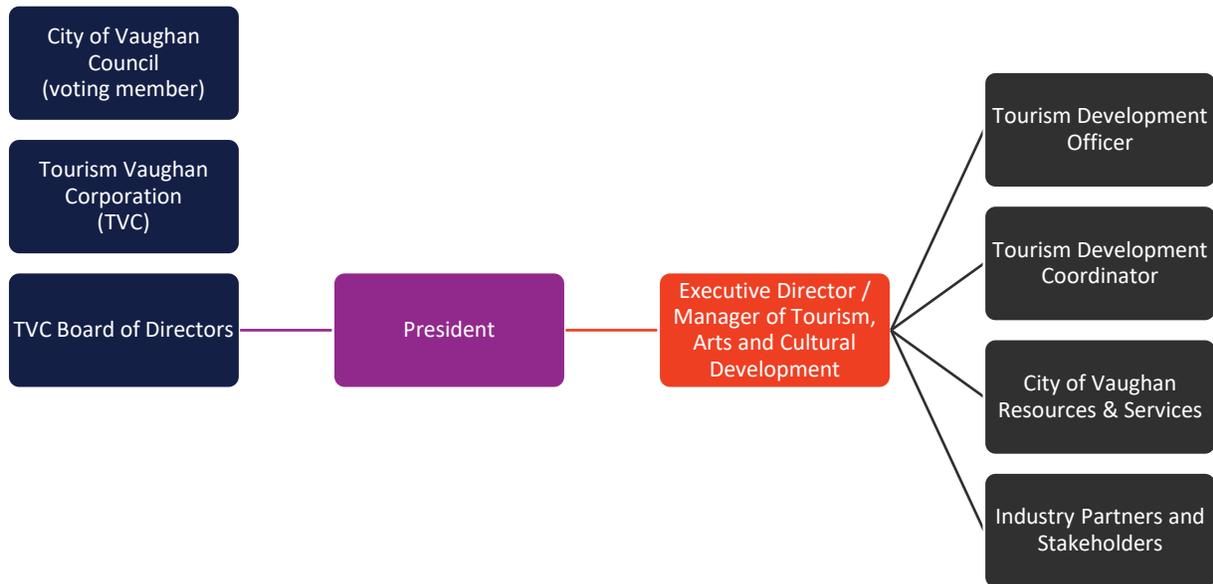
7. Support the TVC Board of Directors
8. Sustain Accountability & Transparency

Research

9. Advance Destination Research

Through these nine activities, Tourism Vaughan will build resiliency for Vaughan's tourism industry during and post-pandemic, while establishing itself as a destination organization of the future.

Organizational Structure



Mission Statement

The mission statement of the Tourism Vaughan Corporation is to market and promote Vaughan as a tourism destination for tourists, visitors, and business travelers attending overnight and multi-day events including meetings and conferences, festivals, sporting and celebration events, business and leisure travel. With support from the hotel industry and short-term rental accommodation providers, tourism operators, meeting and planning industry, festival organizers, sports groups, entertainment, food, and retail establishments, community service organizations, and the City of Vaughan’s Economic and Cultural Development Department, the Corporation will research, develop and implement destination marketing and promotional programming to grow Vaughan’s tourism industry.

Objectives

As stated in the articles of incorporation (Letters Patent) of Tourism Vaughan Corporation (TVC), the following objectives of TVC guide our investments and partnerships:

1. To promote tourism in The Corporation of the City of Vaughan;
2. To promote Vaughan for the purposes of attracting tourists and visitors;
3. To collect and disseminate information, including to conduct targeted market research for the purpose of identifying tourism and business travel opportunities in Vaughan;
4. To develop tourism promotion and business development strategic plans, including to develop multi-year marketing plans and strategies that address Vaughan strategic goals for a robust tourism and business destination;
5. To provide facilities for amusement or for conventions and visitors' bureaus, including to support and facilitate the growth and development of local tourism by identifying and promoting opportunities for new tourism related infrastructure and services (including attractions, public transit, information kiosks, community hubs, festivals and special events, conventions etc.) that will generate positive economic growth in Vaughan; and
6. To provide counselling services to or encouraging the establishment and initial growth of tourism-related small businesses operating or proposing to operate in Vaughan, i.e. to facilities a high-level collaboration amongst Vaughan's tourism industry, business organizations and Vaughan;

And other such complementary purposed not inconsistent with these objects.

These objectives will continue to be delivered by Tourism Vaughan in 2021 through the scope of the recent COVID-19 pandemic and resulting impacts and considerations for the tourism industry.

2021 Key Activities

DESTINATION DEVELOPMENT

1. SUPPORT STAKEHOLDERS & INDUSTRY RESILIENCE

Timeline: Ongoing

- I. With government partners, assess, report on, and implement wherever possible available municipal financial tools to support tourism business.
- II. Prepare emergency regulatory, program, and marketing packages to quickly support the tourism industry in future crises.
- III. Provide the tourism business community with the most up-to-date, relevant, and reliable information possible concerning the pandemic and the economy.
- IV. Help the tourism business community navigate the various programs provided and decisions taken by other levels of government and business support agencies.
- V. Transform core business offerings to increase resilience as needed, such as business development seminars to educate stakeholders on topics such as product development or marketing strategies.

2. DEVELOP A DESTINATION MASTER PLAN

Timeline: Q3 2021

- I. Develop a multi-year Destination Master Plan through robust destination research and analysis in collaboration with TVC Board, TVC and City of Vaughan staff, and industry.
- II. Establish Vaughan's long-term destination strategy for the next 5 years through identification of its unique selling propositions, current and developing tourism assets, visitor segments and profiles and more, ensuring tourism growth and sustainability through partnerships and strong leadership.
- III. Engage in a comprehensive public engagement strategy to obtain input from a variety of sources at a variety of times during the study process to ensure the needs and priorities of all stakeholders in Vaughan's tourism industry, inclusive of residents and visitors, are considered, and that collective support for the plan upon its completion is achieved.

3. DEVELOP A MULTI-YEAR TOURISM STRATEGIC BUSINESS PLAN

Timeline: Q1 2022

- I. Develop a multi-year Tourism Strategic Business Plan that sets out a detailed road map to achieve business objectives in support of the Destination Master Plan.
- II. This tactical plan will contain a 3-year action plan for 2022-2025 that outlines measurable achievable organizational strategies and tactics to establish the destinations programs and services.

4. MAINTAIN SUSTAINABLE FUNDING

Timeline: Q4 2021

- I. Through the City of Vaughan, maintain the new Municipal Accommodation Tax as a sustainable funding source for Tourism Business Development, Marketing and Infrastructure, in accordance with the COVID-19 pandemic.
- II. Through the City of Vaughan, continue to enact a Municipal Accommodation Tax on the sale of Short-Term Rental Accommodation(s) within the City of Vaughan, in accordance with the COVID-19 pandemic.
- III. Identify possible alternative sources of revenue such as grants and funds that are in alignment with the objectives and key activities of the organization.

DESTINATION MARKETING

5. ENGAGE CONSUMERS & FORM A MARKET PRESENCE

Timeline: Ongoing

Based on travel sentiment research and in accordance with public health measures:

- I. Partner with regional, provincial and federal tourism marketing groups to increase consumer confidence through promotion of Vaughan as a safe destination for domestic leisure and business travel, staycations and industry investment.
- II. Connect with the local community to welcome nearby visitors, support local and engage as brand ambassadors to share their love of Vaughan experiences within their own networks.
- III. Through the Interim Tourism Vaughan Meetings and Events Strategy (Appendix 2), engage with Vaughan's tourism sector to attract and host safe meetings and conventions, multi-day cultural festivals, and sports events in a post-COVID context.
- IV. Develop destination marketing channels to engage with consumers through messaging aligned with tactics of this business plan.
- V. Build a destination marketing asset inventory through user generated content and staged content, inclusive of pre-trip, out-of-market and in-market visitor information.
- VI. Invest in new offerings to attract new audiences, seek out higher value visitors, explore new markets to grow tourism expenditures and expand impact within existing markets.

INDUSTRY RELATIONS

6. LEVERAGE PARTNERSHIPS & RESOURCES

Timeline: 2021-2022

- I. Understand the impact of COVID-19 on Vaughan's tourism economy through formal stakeholder engagement via existing partnerships and boards to identify partnership opportunities to strengthen the tourism sector.
- II. Continue to identify, collaborate and consult with key partners and resources such as industry associations and organizations that align with (1) existing objectives of the TVC, and/or (2) forthcoming objectives as identified through the Master Plan development process.
- III. Broaden partnerships with local DMOs, municipalities, RTOs to strengthen the regional approach to tourism.

GOVERNANCE

7. SUPPORT THE TVC BOARD OF DIRECTORS

Timeline: Q4 2021

- I. Host regular meetings of the TVC Board of Directors to guide and ensure implementation of the 2021 Business Plan's key activities and delivery of the corporation's mandate.
- II. Sustain staff resources to support and implement key activities of this plan on behalf of the Board.
- III. Complete a Governance Review, pursuant to the motion passed by the TVC Board on February 24, 2020, directing TVC and City staff to initiate a review and report recommendations back to the Voting Member (City Council). The purpose of the review is to fill the vacancy of TVC Chair and President., reexamine its membership structure, by-laws, board composition, governance approach or model, and organizational policies to ensure that goals of good governance and accountability to stakeholders are met.
- IV. Sustain industry stakeholder consultation and engagement in all initiatives brought forward to the Board to provide the Board with industry guidance and expertise. Upon completion of the governance review, the resumed implementation of a tourism advisory committee, paused in 2020 due to the governance review, will be considered if deemed necessary based on results of the review.

8. SUSTAIN ACCOUNTABILITY & TRANSPARENCY

Timeline: Q4 2021

- I. Ensure that the TVC and its Board operates in an open and transparent manner and that it is accountable and through accessible channels of communication and consultation to engage effectively with its stakeholders.
- II. Continue to maintain and enhance two-way communication activities and channels to ensure stakeholder engagement and maintain transparency on the status of key activities of the corporation.

RESEARCH

9. ADVANCE DESTINATION RESEARCH

Timeline: Ongoing

- I. Create high-value collaboration opportunities with destination stakeholders, particularly CCT, to develop destination data management and analytic capabilities. The purpose of this is to establish baseline metrics to be able to consistently measure and evaluate the outcomes and outputs of strategies and activities and guide future planning.
- II. Continue to analyze the Municipal Accommodation Tax remittance data to monitor the performance and status of the accommodations industry, and available revenue to fund tactics of the 2021 Business Plan.
- III. Obtain real-time sentiment research to understand target markets and adapt to the changing attitudes to travel throughout the pandemic.

2021 Revenue and Expenditures

The following revenue and expenditures statement identifies line items in support of 2021 key activities in addition to general operations. The projection outlined for 2021 Municipal Accommodation Tax Collection is based off CBRE Tourism & Leisure Group's memo *Projected MAT Collection, Vaughan, 2020-2022* (Attachment 3), which outlines assumptions of:

- In 2021, market demand levels in Vaughan are expected to increase by 48% as travel resumes by mid-year;
- Market occupancy is projected to improve to 50% and average daily rate (ADR) is projects to be 10% to reach \$130; and
- Assuming a full-year MAT collection period in 2021, CBRE projects \$1,756,400 in total revenues with Tourism Vaughan's share at \$878,200.

Tourism Vaughan's 2021 expenses total \$1,283,537 and reflect introduction of new programming and marketing initiatives as originally intended for Tourism Vaughan's second year of operations, in addition to continuation of the additional staff member in 2020 to support implementation.

MAT collections in 2019 were intended to develop retained earnings to fuel the organization in product and service delivery in 2021, with foundational development prioritized in 2020. As outlined in the executive summary, the COVID-19 pandemic and MAT suspension in 2020, resulted in a drastic reduction to anticipated revenues and shifted 2020 investments toward COVID-19 support marketing and programs. As such, with the reinvestment of \$213,371 from retained earnings to the 2021 operations, the 2021 Budget presents majority of its investment into marketing and promotions to establish Vaughan's market presence and develop programs to support industry resiliency and recovery through the pandemic.

Lastly, Tourism Vaughan will continue to seek alternative sourcing of revenue such as grants to offset costs wherever possible, and complete investment of the Regional Relief and Recovery Fund (RRRF) amount of \$191,966 carried over from 2020.

Tourism Vaughan Operating Statement	2021 Budget
Revenue	
Total Municipal Accommodation Tax Collection	1,756,400
TVC Portion 50% to Revenue	878,200
Regional Relief and Recovery Fund (RRRF)	191,966
TOTAL REVENUE	1,070,166
Operating Expenses TVC	
Labour	398,767
Programs	215,200
Transfer from COV for MAT Administration	16,192
Professional Fees	146,000
Memberships and Sponsorships	39,171
Marketing and Promotions	457,379
Other Administration Costs	10,828
Total Expenses	1,283,537
Net (Loss)	(213,371)
Tourism Vaughan Retained Earnings Statement	
Estimated opening balance in retained earnings	998,830
Less: TVC Net (Loss)	(213,371)
Estimated Total Retained Earnings	785,459

NOTE: Office Space, Meeting Rooms, Common Area Services, Reception, Clerical and Administrative Assistant Services, Utilities, Maintenance, Taxes, Royalty Free Usage of IP, IT Equipment and Support, HR Administration, MARCOM and Media Services, Economic Development Support Services, and other incidental municipal services are provided at no cost to the TVC.

LINE ITEM DETAILS:

- **Total Municipal Accommodation Tax Collection** –based off CBRE Tourism & Leisure Group’s memo *Projected MAT Collection, Vaughan, 2020-2022* (Attachment 3)
- **Programs** –Tourism Meetings and Events Strategy, Spousal Incentive Programs, Product and Economic Development Workshops, Accommodations Incentive Program, Leisure Travel Incentive Program.
- **Professional fees** - development of a Destination Master Plan, Strategic Business Plan, and Destination Research and Data development and acquisition.
- **Marketing and Promotions** –Meeting Planner Website, Destination Video for leisure and business markets, hyper-local campaigns, accommodations incentive program, consumer website enhancement etc.
- **Net Income/ (Loss)** – Prudent expenditures in 2019 resulted in a significant net income, which were taken into TVC’s retained earnings for Fiscal 2019. Due to the pandemic, TVC is projecting a net loss in 2021 requiring use of TVC retained earnings to subsidize operations.
- **Estimated Total Retained Earnings** – Following investment of a portion of retained earnings in 2021, remaining funds will set the stage for a full year of programming in 2022 through recommendations identified in the Destination Master Plan. Retained earnings are marked as estimate as 2020 financials are being finalized and may fluctuate.

2022 Operating Budget

The following 2022 Operating Budget is a top line estimate using CBRE Tourism & Leisure Group’s memo *Projected MAT Collection, Vaughan, 2020-2022* (Attachment 3). Operating expenses will be detailed following the development and approval of the multi-year Destination Master Plan and Strategic Business Plan.

Tourism Vaughan Operating Statement	2022 Budget
Revenue	
Total Municipal Accommodation Tax Collection	2,336,000
TVC Portion 50%	1,168,000
Operating Expenses	1,300,000
Total Expenses	1,300,000
Net (Loss)	(132,000)
Tourism Vaughan Retained Earnings Statement	
Estimated Opening Balance in Retained Earnings	785,459
Less: TVC Net (Loss)	(132,000)
Estimated Total Retained Earnings	653,459