

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2564



The Regional Municipality of Durham Report

To: Planning and Economic Development Committee
From: Commissioner of Planning and Economic Development
Report: 2024-EDT-2
Date: January 9, 2024

Subject:

Tourism Delivery in Durham Region and Comments on Central Counties Tourism Draft 2024-2025 Business Plan

Recommendation:

That the Planning and Economic Development Committee recommends to Regional Council:

- A) That this report be submitted to Central Counties Tourism as Durham Region's comments on their draft 2024-2025 Business Plan, and that Central Counties Tourism be advised that Durham Tourism (Durham Region Economic Development and Tourism Division) remains the preferred Destination Management Organization for Durham Region;
 - B) That the Region continue to collaborate with Central Counties Tourism and area municipal tourism staff and organizations to promote, support, and develop the tourism industries in Durham Region;
 - C) That this report be sent to all other municipalities covered by the work of Central Counties Tourism, the Ministry of Tourism, Culture, and Sport, and Durham's area municipalities.
-

Report:

1. Purpose

1.1 The purpose of this report is to:

- a. Provide historical background of Durham Tourism's formation and ongoing role as the Destination Management/Marketing Organization (DMO) for Durham Region;
- b. Provide an overview of Central Counties Tourism and their role in tourism programming delivery in Durham Region;
- c. Provide comments on the Central Counties Tourism 2024-2025 Draft Business Plan;
- d. Advise members of the Planning and Economic Development Committee that a delegation from Central Counties Tourism plans to appear before area municipalities and Regional Council in 2024.

2. Previous Reports and Decisions

- 2.1 Region of Durham Report – Durham Regional Tourism Development Strategy ([87-73](#)) (April, 1987), establishes a new strategy for tourism programming delivery by the Region.
- 2.2 The Region of Durham Report – Economic Development Activity Report, January to April 1987 ([63-87](#)) (June, 1987).
- 2.3 The Region of Durham Report – Tourism Durham Marketing Strategy ([1998-A-51](#)) (June, 1998), detailing the completion of a new Tourism Marketing Strategy for Durham Region and the formation of a tourism advisory group, which still meets regularly.
- 2.4 The Region of Durham Report – Departmental and Commissioner Name Change ([1998-A-54](#)) (June, 1998) – detailing that a dedicated staff person was hired in 1995 to develop and enhance the Tourism Industry and that the Department name would be changed to include the Tourism mandate.
- 2.5 The Region of Durham Report – Durham Tourism Leadership Team Update ([2007-A-28](#)) (May, 2007). A new tourism strategy was created and launched by the Region, with implementation support from the Durham Tourism Leadership Team.
- 2.6 The Region of Durham Report – North Durham Tourism Pilot Project Outcome and New Tourism Program Coordinator ([#2019-EDT-13](#)) (September, 2019) – a new position was created to focus on tourism industry development in the Region's northern townships.

- 2.7 The Region of Durham Report – Ready Set Future: Five Year Economic Development and Tourism Strategy and Action Plan was endorsed in December, 2022 ([#2022-EDT-15](#)).

3. Background

- 3.1 Durham Region is a vibrant tourism destination, offering urban excitement and country charm. With three lakefronts, robust trail system, fantastic array of tourism operators, 14 downtown and main street areas, many live entertainment venues and much more, Durham Region offers a premier four-season tourism destination.

Durham Tourism

- 3.2 The tourism sector has been recognized by the Region of Durham as a sector that plays a key role in regional economic success and job creation since 1983. Since that time, it has been noted in staff reports and strategies that tourism plays a role in not only developing the sector, but achieves broader economic development objectives by improving “community recreational, cultural and shopping facilities which creates a more stimulating environment for local residents and which, in turn, attracts more economic development. (Durham Regional Tourism Development Strategy, April 1987)” Over the past 40 years, Regional resources have been dedicated to developing the sector, increasing visitor spending, and retaining and creating local tourism jobs.
- 3.3 The Region of Durham’s first tourism strategy was developed in 1987. This strategy was developed in collaboration with municipal partners and tourism industry professionals from across the region and province. This strategy included plans to establish a brand for Durham Tourism and undertake specific marketing activities.
- 3.4 A dedicated staff person was hired for tourism in 1995 and the team has grown since that time. In 1998, The Economic Development Department underwent a name change to Economic Development and Tourism to better reflect a dedicated focus on tourism. A Durham Tourism marketing strategy was also completed in 1998.
- 3.5 A Durham Tourism Leadership group, convened by the Region’s Economic Development and Tourism team and comprised of representatives from across the region, began meeting regularly in 2007.

- 3.6 The Durham Region Economic Development and Tourism Division represents all eight area municipalities, and the tourism team now operates under the consumer brand “Durham Tourism.” Durham Tourism is responsible for initiatives such as:
- a. Undertaking numerous promotional activities that promote Durham Region as a great place to visit year-round;
 - b. Collaborating or partnering in delivering events, festivals, and campaigns with a diverse group of partners including Durham Farm Fresh, Area Municipalities, Chambers of Commerce and Boards of Trade, Business Improvement Areas (BIAs), local event producers, and others.
 - c. Leveraging tourism efforts to achieve broader economic development goals such as attracting investment, promoting local shopping at locally-owned and operated retail stores, attracting overnight accommodations, and enabling growth in the creative industries, especially the Film and Television and Music industries;
 - d. Collaborating and partnering with others to develop new assets, tourism products, and initiatives such as a rural cycle tourism;
 - e. Developing and maintaining DurhamTourism.ca, as well as a number of social media channels with large followings;
 - f. Producing the semi-annual Durham Region Discovery Guide publication;
 - g. Partnering with Central Counties Tourism, Destination Ontario, area municipalities, and other groups to amplify Durham’s collective value proposition for tourism and tourism investment;
 - h. Attracting and managing, or partnering to manage, competitive sport events and multi-sport games;
 - i. Providing dedicated tourism staff to support and develop tourism industries in specifically the rural areas of Durham;
 - j. Leading collaborative efforts across Durham Region through the Municipal Tourism Leadership Group, which represents all eight area municipalities.
- 3.7 Ready Set Future, Durham Region’s Economic Development and Tourism Division’s Strategy and Action Plan, was developed in collaboration the Region’s many economic partners, including Durham’s area municipalities, post-secondary institutions, major employers, entrepreneurs, the Chambers of Commerce and Boards of Trade, Durham Workforce Authority, the Mississaugas of Scugog Island First Nation, Business Advisory Centre of Durham, the Arts, Culture and Creative Industries, Business Improvement Areas, the Innovation Community (including Spark Centre, 1855 Accelerator and OPEN.Innovate), Central Counties Tourism, and other internal Regional Departments.

- 3.8 Ready Set Future details numerous actions to be completed by Durham Tourism. In addition, the Tourism Action Plan is one of the associated plans being developed as an action item of Ready Set Future. These plans are:
- a. Growing Agri-Food Durham ([#2022-EDT-10](#))
 - b. Growing North Durham Plan ([#2023-EDT-2](#))
 - c. Invest Durham Marketing Action Plan ([#2023-EDT-5](#))
 - d. Durham Tourism Action Plan (In Development)
 - e. Investment Attraction Plan (In Development)
- 3.9 Durham Tourism's Draft Action Plan is being circulated for comment with area municipal staff and is anticipated to be brought to Planning and Economic Development Committee for endorsement in early 2024.
- 3.10 Ready Set Future sets out that "Durham's Tourism activities will achieve broader goals beyond attracting visitor spending; our activities will also strengthen the region's overall Quality of Place, enhance the vibrancy of our urban and rural downtowns, and ensure that Durham is both magnetic and memorable."
- 3.11 Ready Set Future identifies that tourism marketing is a key activity within broader tourism actions to create jobs, grow creative industries such as film and music, increase creative industry exports, and have a defined focus on place excellence to deliver broader economic development objectives.
- 3.12 Ready Set Future identifies that Quality of Place is consistently a crucial factor in investment attraction, talent attraction, and talent retention. It is a key component of quality of life for residents, contributing to social well-being. As strong creative industries contribute significantly to Quality of Place, a regional approach to growing creative industries will enable our existing cultural and creative industries such as film, music, culinary, festivals and events to expand, thrive, and create additional jobs.

Recent Durham Tourism Achievements

- 3.13 Durham Tourism has achieved enormous social media follower and engagement growth to over 40,000 across all tourism channels through its targeted focus on primary target audiences and content centred on urban excitement and country charm. [Durham Tourism's Instagram](#) has grown to 12,900 (a 38 per cent annual growth) with an engagement rate of over four percent.

- 3.14 The [Shop Where You Live, Shop in Durham campaign](#)—a joint effort with Durham’s Chambers of Commerce and Boards of Trade—achieved a 61% year over year growth in 2022 in engagement and was delivered collaboratively with partners across the Region again in 2023.
- 3.15 The [Downtowns of Durham](#) project website grew to reach over 62,000 page views in 2022, an increase of 7% over 2021, and new content is continuously added about the 14 extraordinary downtown areas across the Region.
- 3.16 Durham Tourism created a Township of Brock tourism website, and partnered with North Durham events such as Winding Roads Festival, Mural Marathon, and the Uxbridge Holiday Trail.
- 3.17 Durham Tourism celebrated the arts, culture and creative industries through partnerships with events such as Small Town Big, The OMA’s, Springtide Music Festival, Convergence Music Festival, The Troubadour Series and Culture Days.
- 3.18 Staff recently supported the establishment of the inaugural Oshawa Orientation Experience event in partnership with the Greater Oshawa Chamber of Commerce, City of Oshawa, Durham College, Ontario Tech University, Trent University Durham GTA, Downtown Oshawa Business Alliance, Central Counties Tourism and the province of Ontario.
- 3.19 Durham Tourism launched the “[A is for Adventure](#)” apple adventure campaign, featuring many of the vibrant locally-owned and operated tourism operators in the rural areas of Durham that featured apple-based products. A two-page ad was placed in the inside-front-cover of the [2023 Spring Food & Drink Magazine](#).
- 3.20 Durham’s new immersive and experiential [Discovery Guide](#) features wonderful attractions across the Region that contribute to Durham’s Quality of Place.
- 3.21 Durham Tourism successfully won and hosted the award-winning 2019 and 2023 Ontario Parasport Games.

Central Counties Tourism

- 3.22 Central Counties Tourism (known to consumers as York Durham Headwaters) is a Regional Tourism Organization (RTO), also known as RTO6.
- 3.23 Central Counties Tourism represents an area comprised of Durham Region, York Region, Caledon, Dufferin, Erin, Orangeville, Mono and Shelburne. The Central

Counties stated mandate is “to identify sustainable best product and practices that will build a stronger and more competitive tourism industry within the region.”

3.24 Central Counties Tourism was established in 2010 under a framework developed by the Ontario Ministry of Tourism, Culture, and Sport. This framework prescribes that RTOs are to be independent not-for-profit organizations led by a board made up of representatives from the tourism sector. RTOs receive core funding from the Province.

3.25 Central Counties Tourism’s board is responsible for approving annual business plans and determining how to use funding. The Ministry of Tourism, Culture, and Sport reviews the business plans and funding is provided to the RTO in accordance with the transfer-payment agreement.

Area Municipalities

3.26 Some area municipalities have community tourism plans and undertake tourism programming in varying capacities, including in some cases having dedicated staff, or engaging a local organization such as a Chamber of Commerce, to deliver promotional or sector support programming on their behalf.

Tourism Programming Delivery Model in Durham Region

3.27 Destination Management/Marketing Organizations (DMOs) represent the voice of a destination to potential visitors. This can involve attracting visitors, partnering with operators to develop tourism products, providing amenities, working with partners to circulate information to tourists, and ensuring economic competitiveness of the sector.

3.28 Within Durham Region, Durham Tourism is the DMO, and has been since 1987. Durham Tourism works collaboratively with Destination Ontario, Central Counties Tourism, Area Municipal teams, and others, to deliver tourism related marketing, industry support and various other sector-specific activities for Durham.

3.29 Durham Tourism, Central Counties Tourism, and area municipal partners each have distinct roles in the delivery of programming and projects to foster a strong tourism sector.

3.30 Durham Tourism has the lead role in promoting Durham Region as a place to visit. Durham Tourism offers strong support to agri-tourism operators, applies for, and supports the funding of Rural Economic Development (RED) projects focused on downtown revitalization, executes business retention and expansion (BR+E)

projects, nurtures the film, television, and music industries, attracts and plans multi-sport games, and delivers a variety of other sector specific activities. Durham Tourism collaborates with local partners to build marketing projects and plans, while working with Central Counties Tourism to communicate Durham's value proposition for visitors.

- 3.31 Central Counties Tourism is a reliable partner for gaining strategic insights and research on the tourism industry. Durham Tourism benefits from access to Central Counties Tourism data on hotel occupancy, visitor flows, and other information used for potential investments and funding applications. Central Counties also supports ambassador programs, training, and grant writing skills to tourism operators which are key tools needed to achieve a tourism-ready community. Central Counties Tourism's partnership programs, which direct project funding to local tourism operators, is an essential piece of the tourism ecosystem and delivery in Durham.
- 3.32 At the Area Municipal level, tourism teams are responsible for event delivery, production of locally-specific materials and campaigns, and for fostering a strong local slate of arts and cultural programming including festivals and events.
- 3.33 Because economic development and tourism programming is delivered at both the Regional and Area Municipal levels, with various resources and work plans, a collaborative approach is taken to promote the region, support business, and attract investment. To avoid duplication of efforts, Regional and Area Municipal staff have formed the Durham Economic Development Partnership (DEDP), and the Durham Tourism Leadership Team, to coordinate strategies and activities.
- 3.34 Durham Tourism convenes the Durham Tourism Municipal Leadership team, which is comprised of staff from Durham Tourism, Central Counties Tourism, Oshawa Tourism, and from the area municipalities.

4. Analysis and Discussion

- 4.1 Central Counties Tourism presented their 2024-2025 Draft Business Plan at their recent board of directors meeting in November 2023.
- 4.2 There are many valuable action items and goals included in the draft plan, such as providing aggregated visitor data and accompanying analysis, growing engagement with their learning platforms, coaching operators on how to receive funding, and implementing partnership programs. Regional staff broadly support these and other similar action items in the draft plan.

- 4.3 This draft business plan also proposes to expand the scope of their service delivery in a manner that deviates from the current service delivery model in Durham. In an item defined as “*Grow Central Counties Tourism revenues to provide additional core functionality*”, there is an action to “*Create a business case and explore the possibility of becoming the Destination Development and Management Organization for municipalities/regions that do not have the capacity.*”
- 4.4 Central Counties Tourism has not approached staff in the Durham Region Economic Development and Tourism Division about their plans to propose becoming the DMO for Durham Region or its area municipalities. It is unclear if there will be a financial ask, who will be asked, and how much the financial request would be.
- 4.5 For the following reasons, staff recommend that Central Counties Tourism not be engaged by the Region to act as the DMO, and that the Area Municipalities be requested not to engage Central Counties to act as the DMO on their behalf:
- a. Durham Tourism is already the DMO for Durham Region, acting on behalf of the area municipalities, and the scope proposed by Central Counties would duplicate and conflict with Durham Tourism’s existing role.
 - b. Successfully delivering on the action items in Ready Set Future requires that Durham Tourism remain the DMO, Central Counties remains in a support role, and area municipal tourism teams continue to work in collaboration.
 - c. Central Counties Tourism represents a large and diverse pan-regional area defined to consumers as “York Durham Headwaters”. Effectively branding or identifying core target audiences for such a large geography would be far less effective than taking a Regional approach with specific focus on each unique area within Durham Region under a cohesive brand identity.
 - d. Destination marketing activities with an expansive pan-regional approach may create similar challenges to those experienced with attracting FDI through Toronto Global. In that case, there was a disparity between Durham’s financial contribution and results (10.4 per cent of the total municipal funding for only 0.8 per cent of the total jobs created). This disparity highlights the challenges of wide geographic collaboration for the delivery of certain economic development and tourism initiatives that are better suited for local government.
- 4.6 If a Durham Area Municipality is seeking assistance in the delivery of their respective community tourism plans or in promotion of their area municipality specifically, Durham Region’s award-winning tourism team, Durham Tourism, would be best suited to offer that service, due to its ongoing efforts to strengthen the Region’s tourism brand identity of urban excitement and country charm, build quality

of place, and collaborative approach to drive spending to the Region's incredible locally-owned and operated tourism businesses.

- 4.7 As noted in the December 2023 [Province of Ontario Auditor General's report "Value for Money Audit, Tourism Support Programs"](#), *"On December 1, 2017 the Province of Ontario introduced a regulation which gives municipalities the authority to impose a tax, usually called the Municipal Accommodation Tax (MAT). The regulation requires the revenue earned through a MAT to be shared between the municipality and one or more tourism entities. It is generally shared with a DMO or an economic development office of the municipality, so that the funds are reinvested in promoting tourism within the municipal boundaries and not in a broader region (such as with an RTO). If the municipality did not have a destination marketing fee program prior to the MAT, the municipality must share at least 50% of the MAT revenue annually with the DMO."*
- 4.8 There are various models employed by municipalities to distribute and use MAT revenues. In Durham Region, the City of Oshawa has implemented a MAT and formed Oshawa Tourism (a program within the Greater Oshawa Chamber of Commerce) to receive a portion of the MAT.
- 4.9 If additional Area Municipalities in Durham implement a MAT, one possible model could be to retain their portion of the MAT and share the required percentage with Durham Tourism to undertake programming and promotional activities specifically on their behalf. Staff at Durham Region Economic Development and Tourism would welcome the opportunity to discuss this option and enhance further collaboration. In line with best practices and the recent auditor general's report, it is not recommended that MAT revenues be shared with the RTO (Central Counties Tourism).

5. Relationship to Strategic Plan

- 5.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. 2.5 Build a healthy, inclusive, age-friendly community where everyone feels a sense of belonging;
 - b. 3.1 Position Durham Region as the location of choice for business;
 - c. 3.2 Leverage Durham's prime geography, social infrastructure and strong partnerships to foster economic growth;
 - d. 3.4 Capitalize on Durham's strengths in key economic sectors to attract high quality jobs;

- e. 3.5 Provide a supportive environment for agriculture and agri-food industries;
and
- f. 5.2 Collaborate for a seamless service experience.

6. Conclusion

- 6.1 Central Counties Tourism have indicated in their 2024-2025 Draft Business Plan an intent to create a business case and explore becoming the DMO for Durham Area Municipalities and other municipalities.
- 6.2 Durham Tourism acts as the DMO for Durham Region and undertakes tourism marketing and sector development programming in collaboration with Area Municipalities to cultivate the brand of urban excitement and country charm, and relies on support from Central Counties Tourism.
- 6.3 Staff recommend the continuation of this current approach to Tourism programming delivery in Durham Region.
- 6.4 To deliver on the actions as set forth in Ready Set Future and its associated plans, Economic Development and Tourism Division staff do not recommend a change in collaborative models for tourism sector development delivery or tourism marketing in Durham Region.

Respectfully submitted,

Original signed by

Brian Bridgeman, MCIP, RPP, PLE
Commissioner of Planning and
Economic Development

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer