



The Regional Municipality of Halton

Report To:	Chair and Members of the Administration and Finance Committee
From:	J. E. MacCaskill, Commissioner of Corporate Services and Regional Treasurer
Date:	August 27, 2007
Report No. - Re:	CS-71-07 - Halton Region Premier Ranked Tourist Destinations Project - Final Report

RECOMMENDATION

1. THAT Council receive the Premier Ranked Tourist Destinations Project final report dated August 7, 2007, provided under separate cover to Report No. CS-71-07.
2. THAT Council endorse the establishment of a Halton Tourism Advisory Committee facilitated by Halton Region staff, in order to implement the recommendations of the Premier Ranked Tourist Destinations final report dated August 7, 2007.
3. THAT Council approve the Terms of Reference for the Halton Tourism Advisory Committee as outlined in Report No. CS-71-07.
4. THAT the following members of Regional Council be appointed to the **Halton Tourism Advisory Committee** for a term to expire on November 30, 2010, or until their successors are appointed:
 - i. _____
 - ii. _____
5. THAT the Regional Clerk be authorized to advertise for the eight non-Council Members for the Halton Tourism Advisory Committee.
6. THAT the Administration and Finance Interview Committee be requested to complete the selection and recommendations of members for the Halton Tourism Advisory Committee.

REPORT

Purpose:

The purpose of this report is to provide Council with the Premier Ranked Tourist Destinations Project (PRTD) final report dated August 7, 2007, attached under separate cover. The final report is an objective third party report which assesses Halton's tourism attributes and outlines

recommendations for future tourism development in Halton. The PRTD final report recommends the establishment of a Halton-wide tourism alliance, supported by Halton Region staff, which would develop and implement a Halton destination development action plan and implement the recommendations of the PRTD final report. This staff report recommends that the tourism alliance be implemented through an Advisory Committee to Regional Council with a Terms of Reference that sets out the goal, scope and purpose and composition of the Advisory Committee.

Tourism in Halton:

Tourism is a growing industry globally and is an emerging sector in Halton's economy. According to the Ontario Ministry of Tourism's most recent statistics (2004), total visits to Halton have grown approximately 6.7% per year between 1998 and 2004, reaching 2.8 million total visits in 2004. Those 2.8 million visitors spent some \$185 million in Halton in 2004. The Ministry of Tourism estimates that some \$4.1 million in property taxes accrued to Halton Region as a result of visitor spending in 2004 along with the over 2,200 part-time, full-time and seasonal jobs.

Currently, tourism initiatives in Halton are principally conducted at the Local Municipal level, and Halton Region does not have a formal role in tourism development or marketing. Halton Region is responsible for implementing the Halton Tourism-Oriented Directional Signage (TODS) Program, wherein for a fee, Halton Region installs directional signage on Regional (and Local) Roads to direct traffic to eligible tourism attractions and operations in the region. The program has been successful with 67 current customers and an installed base of over 600 signs across Halton.

Local Level Tourist Initiatives in Halton:

In Burlington, tourism initiatives fall under the auspices of Tourism Burlington Inc. Tourism Burlington was incorporated in 2005 and is a partner-based Destination Marketing Organization (DMO) with a volunteer Board of Directors, including two representatives from City Council. Tourism Burlington operates with the positioning line of "Elevate Your Experience." The accommodations sector in Burlington has agreed to a 3% Destination Marketing Fee on short-term accommodations to help fund tourism marketing and promotion efforts for Burlington.

In Halton Hills, the Halton Hills Chambers of Commerce undertakes tourism activities including visitor services, web services and tourism publications on behalf of the Town, utilizing the positioning line "Head for our Hills".

Similarly, the Milton Chamber of Commerce undertakes tourism initiatives in Milton, producing a Visitors Guide and maintaining a tourism website. The Chamber operates "Escarpment Country", a marketing alliance of Milton organizations which rely on tourists and visitors to make their businesses prosper. Members of "Escarpment Country" can participate in tourist publications and are eligible to participate in the Halton Tourism-Oriented Directional Signage (TODS) program.

In Oakville, tourism responsibilities will be shifted from the Oakville Economic Development Alliance, which will be officially dissolved on December 31, 2007, to the Oakville Recreation and Culture Department. The Town's tourism resource works with the Oakville Tourism Partnership, a community stakeholder committee which includes representatives from each of the three BIA Boards of Management.

About the Premier Ranked Tourist Destinations Program:

The Premier Ranked Tourist Destinations program is an initiative developed by the Ontario Ministry of Tourism under its 2004 Ontario Tourism Strategy. The overarching goal of the PRTD program is to help regions across Ontario assess their competitive tourism advantages and ultimately market themselves appropriately as a destination of choice. The word “premier” is typically defined to mean first in rank, position, importance or quality. Being a Premier Ranked Tourist Destination indicates that “here is a place more attractive than the rest, a place the potential tourist visitor should consider first in making travel plans.” To be clear, Premier Ranked is not a formal tourism designation used for marketing purposes, but rather is an internal tourism goal for a destination to work towards.

To assist municipalities with assessing and developing their tourism product, the Ministry of Tourism established a tool called the Premier Ranked Tourist Destinations Framework. This framework helps jurisdictions assess their tourist attractions and amenities and allows them to identify opportunities in tourism development. The Ministry of Tourism provides financial assistance to municipalities that apply to undertake the PRTD process.

Several regions in Ontario have completed PRTD studies including the two-tier Regional Municipalities of Niagara, York and Durham. The cities of Mississauga and Hamilton have also completed their PRTD studies and have used the results in the development of comprehensive tourism plans and destination marketing strategies. It should be noted that none of these jurisdictions achieved Premier Ranked ratings through their PRTD reviews.

The Halton PRTD Project – A Joint Initiative:

As set out in Report CS-57-06, Halton Region, with the support of its local tourism partners, applied for PRTD project funding from the Ministry of Tourism and for temporary staffing funding from Human Resources Skills Development Canada (now Employment Ontario) for a PRTD resource audit team. Halton Region received funding of \$20,000 from the Ministry and over \$50,000 from HRSDC for the contract resource audit team, helping it address the Halton Region Strategic Plan 2004-2006 action which called for the Region to undertake the PRTD process in Halton.

Halton Region’s Comprehensive Economic Development Strategy, approved by Council on October 4, 2006, addressed the Region’s support and involvement in the tourism sector through Action 46, “*Complete the Premier Ranked Tourist Destinations Project and database in conjunction with Halton’s tourism stakeholders and report to Council on the findings of the project in 2007.*”

A Halton PRTD Steering Committee, made up of representatives from Halton Region, local tourism partners and industry stakeholders directed the development of the overall project starting in spring 2006 (see Appendix “A-1”).

The Halton PRTD framework provides the following:

- A collection of critical data that paints a clear picture of Halton’s status as a tourism destination;
- An identification of Halton’s challenges and its opportunities in tourism; and

- Recommended actions, which if pursued, will improve Halton’s long term success as a tourist destination.

The Halton PRTD framework measures three tourism dimensions – Product, Performance and Futurity. The Product dimension evaluates whether a destination provides a high quality tourist experience through distinctive core attractors (i.e. demand generators), quality, critical mass and accessibility of the tourism product among others. The Performance dimension assesses the quality of the tourism experience and a destination’s success in providing it, as measured by visitation and hotel occupancy and yield, as well as qualitative criteria such as critical acclaim. The Futurity dimension evaluates the ability for a destination to thrive from tourism into the future based on the presence of destination marketing, product renewal and the infrastructure to support tourism. In order to have a Premier Ranked rating, a jurisdiction would have to achieve uniformly positive results across each of the measurement criteria of the three tourism dimensions.

A major component of the PRTD process is the undertaking of a resource audit of the Halton tourism industry. Halton’s resource audit included a detailed survey of Halton tourism establishments, in which respondents were asked to describe their operations, their services offered, where their customers come from, whether/how they target for tourism among others. The survey was mailed to 784 Halton tourism establishments from the Accommodations, Food and Beverage, Attractions and Retail sectors. Survey results were compiled in a comprehensive database maintained by Halton Region and shared with local tourism partners (See Appendix “A-2” for high-level PRTD survey results by Tourism Sector and by Local Municipality).

To assist the PRTD Steering Committee with the analysis of the audit results and the preparation of the final report, Brain Trust Marketing & Communications, a tourism industry consulting firm, was retained in January 2007 through a Request for Proposals process. The consultant worked with the PRTD Steering Committee to review the PRTD survey results, assess current regional industry strengths, weaknesses, attributes, product/service gaps, factors and conditions that impact existing and future development plans and identify potential opportunities and partnerships within Halton’s tourism industry.

Initial findings from the resource audit, together with identification of Halton’s key tourism attractors were presented to the local tourism industry at stakeholder sessions held in north and south Halton on March 20, 2007 and April 3, 2007 respectively. The initial findings were also presented at Tourism Burlington’s Annual General Meeting of May 24, 2007. Based on the feedback and comments received from the Halton tourism industry, recommendations for inclusion in the final report were written and presented at an industry stakeholder session held on May 29, 2007 at the Halton Region Museum (See Appendix “B” for names of the Industry Stakeholder representatives at these sessions).

Discussion of the Final Report Findings:

The final report notes that based on the measurement criteria of the PRTD framework respecting product, performance and futurity dimensions, Halton did not achieve Premier Ranked status and Halton as a tourist destination. These results were not generally unexpected by the Halton PRTD Steering Committee and tourism stakeholders, and as noted above, no other Ontario jurisdictions have achieved Premier Ranked status based on their own individual PRTD assessments.

One of the benefits of the Halton PRTD project was obtaining a much needed analysis of Halton's tourism attributes and gaps and the identification of future opportunities at a regional level. The project provides a baseline assessment of Halton's tourism sector and is the needed foundation for any Halton-wide tourism strategy development.

Looking more specifically at the three tourism dimensions measured in the Halton PRTD process, a number of key observations arose which are worth noting:

The PRTD assessment yielded positive data regarding Halton's core attractors and its accessibility to markets. Halton is well situated in a growing regional market for tourism and has a broad and diverse mix of attractions that are found in each of the Local Municipalities in the region. These core attractors include:

- *Towns/Countryside, Rural Landscapes & Lake Ontario Waterfront*
- *Outdoor Recreation and Niagara Escarpment*
- *Royal Botanical Gardens*
- *Gaming - Mohawk Raceway*
- *Authentic Farm Experiences*
- *Equestrian Experiences*

The PRTD final report indicated that Halton, as a whole, has not achieved uniform success with respect to its tourism performance. The following summarizes some of findings with respect to Halton's tourism performance.

While tourism in Halton is growing, the region continues to be primarily a day trip destination. Of Halton's 2.8 million visitors in 2004 over 2.1 million (75%) were day trip visitors. Of these 2.1 million day trip visitors, 2.0 million were from Ontario and 70,000 from the U.S. From a spending perspective, Halton's day trip visitors tended to spend less than the Ontario average (\$35 per visit in Halton vs. \$63 Ontario average). Visitation to Halton is highest in the fourth quarter and lowest in the first quarter.

The 740,000 overnight visitors to Halton in 2004 were primarily from Ontario (69%) with 13.5% coming from the U.S. These overnight visitors tended to spend less than the Ontario average (\$154 in Halton vs. \$270 Ontario average). In 2004, Halton's accommodation sector had an average occupancy of 57% versus an Ontario average of 65%. That same year, Halton had 62,000 meetings and conventions visitors in 2004 or 2.2% of the Ontario market. Visiting friends and relatives is a significant reason for overnight stays in Halton. In 2004, 88% of overnight visitors to Halton participated in seeing their friends and relatives.

Based on these statistics, Halton is generally not getting its share of visitation to or within the Province, and lags somewhat behind the Ontario average with respect to accommodation occupancy rates, per visit spending and in its proportional share of the meetings and conventions business.

The report noted that there was generally a lack of funding for the local level tourism organizations to undertake destination marketing and there are no region-wide tourism initiatives in place. While there were some positive signs with recent new investments in product renewal, such as the Burlington waterfront, several core attractions in Halton have not had significant recent product upgrades to enhance their tourism experiences.

Conclusions Regarding the Halton PRTD Process:

The PRTD process was generally a positive experience which brought together Halton Region officials, local tourism partners and stakeholders to look at the current state of Halton as a tourist destination and to identify the challenges and opportunities for its future tourism development.

The PRTD process revealed that while there are clear tourism industry leaders across Halton, it is equally true there are many business establishments that have not identified tourism as a strategy for success. This is shown in the relatively low PRTD survey response rate for the food and beverage sector. It remains that the Halton tourism industry as a whole is somewhat fragmented and only starting to emerge as unified economic sector.

PRTD Final Report Recommendations:

The final report indicates that there are challenges for Halton's tourism industry to overcome, but recognizes that there is significant potential for Halton to improve its tourism performance and to capitalize on its excellent location and access to a growing regional tourism market. To that end, the final report contains the following recommendations:

- *Establish a Halton Tourism alliance*

The alliance would have strong tourism industry stakeholder involvement and would be responsible for undertaking the recommendations of the PRTD final report as listed below:

- Initiate a Halton Tourism Destination Development Action Plan with tourism industry involvement and facilitated by Halton Region, including:
 - Further defining roles and responsibilities of local tourism partners (Halton Region, local Chambers of Commerce, Destination Marketing Organizations (DMOs), Business Improvement Areas) within the Action Plan. For example:
 - Halton Region would focus on future destination development and the enhancement of experience delivery;
 - The local Destination Marketing Organizations (e.g. the Chamber of Commerce, Economic Development offices etc. would have a collective focus on experience development, collaborative packaging of attractions and marketing, assisted by Halton Region).
- Develop a series of initiatives designed to grow tourism and to convert Halton day trippers to overnight guests therefore growing annual tourism expenditures and revenues:
 - Product development associated with Halton's distinctive core attractors and those assets that are under performing and / or under developed;
 - Event development – enhance existing events, add new ones in the non-peak seasons;

- Improvements to experience delivery, with a focus on customer service training across Halton;
 - Initiatives that capitalize on the physical setting and natural heritage attributes, such as the Lake Ontario waterfront and the Niagara Escarpment, including the Bruce Trail;
 - Tourism industry “partnering sessions” to encourage cross promotion of tourism experiences within Halton, no matter what the municipal boundaries might be; and
 - Implementation of the Ministry of Tourism - *Tourism Inc.* training sessions across Halton to educate and better equip the industry in making their tourism products and experiences market ready.
- Introduce a Tourism Awareness Campaign to reinforce the importance of tourism across Halton;
 - Create a Sports Tourism Task Force to capitalize on opportunities in this growing segment of the tourism market;
 - Identify and prioritize underdeveloped and underperforming tourism assets in Halton and develop specific strategies to grow them; and
 - Explore possibilities of a coordinated Halton-wide Destination Marketing Fund Strategy.

Implementation of the PRTD Final Report Recommendations:

The principal recommendation in the PRTD final report is the establishment of a Halton Tourism alliance. Having reviewed several models for industry committees within Halton and beyond, and recognizing that there is a role for the Region to support and facilitate tourism in Halton by bringing together the local level partners for the purposes of tourism development and promotion, this report recommends that the Halton tourism alliance be implemented through the creation of a Advisory Committee to Regional Council (“Halton Tourism Advisory Committee”). An Advisory Committee structure would allow for annual reporting to Regional Council as well as representation from members of Regional Council.

This report contains a proposed Terms of Reference (as set out in Appendix ‘D’) for the Halton Tourism Advisory Committee, including the goal, scope and purpose, composition of the Committee. The goal of the Halton Tourism Advisory Committee is to advise and assist the Region with respect to Tourism Issues and provide input on the implementation of tourism initiatives by the Region in conjunction with its Local Tourism Partners as outlined in the Premier Ranked Tourist Destinations (PRTD) final report dated August 7, 2007, and received by Regional Council in Report No. CS-71-07. The Committee would be comprised of 10 members from the tourism industry, Local Tourism Stakeholders and Regional Council, consisting of:

- a) 4 members representing the Local Tourism Stakeholders
- b) 1 member representing the accommodations sector in Halton
- c) 1 member representing a for-profit attraction in Halton
- d) 1 member representing a not-for-profit attraction or event in Halton
- e) 1 member representing the food and beverage, or retail sector in Halton

- f) 2 members of Regional Council.

This report provides an opportunity for Regional Council to approve the proposed Terms of Reference, appoint two members of Regional Council to the Advisory Committee and to initiate the process of advertising and selecting non-Council members of the Advisory Committee through the Administration and Finance Interview Committee.

There appears to be active interest and support for the development of tourism in Halton at the regional level. All of the local level tourism partners that were involved in the PRTD process, namely Tourism Burlington, Halton Hills Chamber of Commerce, Milton Chamber of Commerce and Oakville Economic Development / Recreation and Culture are interested in working with a Halton Region facilitated process for tourism. The Ministry of Tourism is a supporter of a Halton-wide tourism organization and will assign staff to work with the Halton Tourism Advisory Committee.

In order to adequately support the Halton Tourism Advisory Committee starting in 2008, a program change for a Tourism Development Coordinator in the Business Development Division will be put forward in the 2008 Tax Supported Operating Budget.

FINANCIAL/PROGRAM IMPLICATIONS

The technical and administrative support to initiate the Halton Tourism Advisory Committee would be funded from the Business Development Base Budget. However, to fully support the Committee and ensure that the Committee achieves critical milestones and reports, a program change at a cost of \$89,000 for a Tourism Development Coordinator will be put forward for Council's consideration as part of the 2008 Budget Process.

RELATIONSHIP TO THE STRATEGIC PLAN

Implementation of the PRTD final report directly supports Goal 2 under Theme Four of the 2007-2010 Halton Region Strategic Plan “Based on the findings of the Halton’s 2007 Premier Ranked Tourist Destinations study, implement a tourism strategy, in conjunction with local tourism partners, which takes advantage of Halton’s natural heritage attributes.”

The implementation of the Premier Ranked Tourist Destinations Project final report also speaks to Theme Two “Continue to support the Royal Botanical Gardens in its vision of achieving and sustaining a position of recognized global excellence in the world of botanical gardens.”

Respectfully submitted,



John Davidson
Director, Business Development



For
J. E. MacCaskill
Commissioner of Corporate Services

Approved by



Pat Moyle
Chief Administrative Officer

If you have any questions on the content of this report, please contact: J. Davidson

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