



Municipality of Port Hope

Staff Report

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Report Title: Port Hope Tourism Strategy 2023

Report to: Planning & Development Committee

Date of meeting: May 16, 2023

Report Author:

Todd Davis, Director Planning and Development

Department responsible:

Planning & Development

Report Number: PD-14-23

Recommendation:

That a resolution be presented to Council to direct staff to:

- Establish a steering committee to provide input and oversight on the 2022 – 2024 destination marketing contract and tourism strategy project.
- Bring to market and award a contract for the delivery of Destination Marketing Services for a period of up to 18-months committing \$75,000 of current budgeted funds and a further \$150,000 in the 2024 budget.
- Seek a firm to facilitate the review, recommendation and potential implementation of an appropriate model of tourism delivery in Port Hope.

Highlights:

- Establish a Tourism steering committee to provide input and feedback to the tourism work to be done through 2023 and 2024.
- Procure dedicated destination marketing services on contract for up to 18 months bridge between current destination marketing efforts and a model for modern tourism services delivery in the community.
- Work with Industry stakeholders to identify how destination marketing is delivered, funded, to what annual level, activities, and deliverables in other municipalities of similar size and economy.
- Council will receive future recommendations and provide approval for an appropriate model of tourism delivery in Port Hope.

Background:

Under the umbrella of Economic Development prior to 2015, the Municipality funded a Economic Development and Tourism department responsible for destination marketing and visitor services. Destination marketing is the deliberate effort to try and bring more visitors to the area by making them aware of and interested in Port Hope. Bringing visitors to Port Hope helps to boost the local economy and the goals of the community's

destination marketing is to establish ourselves as a destination of choice in south eastern Ontario.

In 2015 these services were transferred to the Municipality's Marketing and Tourism Division until 2021 when the departments service delivery review recommendation dissolved the Marketing and Tourism Division and reconstituted economic development services with a mandate broader than the delivery of tourism services. Staff have continued to provide destination marketing support where appropriate through the COVID pandemic which included contracting out operations at the Visitor Information Centre through the Chamber of Commerce for 2022.

In the last 10 years many local governments and local economic development departments in growing tourism markets work in partnership with a third-party Destination Marketing Organization (DMO) to provide tourism services. Communities such as Belleville, Quinte West, Kingston, Ottawa, Toronto, London, and others all deliver destination marketing and visitor information services through this model. There are a number of benefits from delivering tourism in this fashion that include but aren't limited too:

- Direct industry involvement and oversight of marketing activities that help to deliver programs targeting markets that benefit the local business community and recognize the business cycles of the industry.
- Ability to focus on a singular industry and the mission to attract visitors to the community.
- Opportunity to interface and partner with other industry, regional organizations and local or community groups.

Recognizing this shift in service delivery, the province passed legislation in 2017, Ontario Regulation 435/17, Transient Accommodations Tax legislation. This allows municipalities to consider taxation that would fund destination marketing. This is an effort to offer stable funding that supports the delivery of tourism through a DMO.

Tourism is a significant driver of our local economy, creating the second largest number of jobs on offer in the Municipality. This sector supports our retail, hospitality, accommodation, arts, culture and recreational businesses and organizations and helps to contribute to the quality of life for our local residents. The Municipality in partnership with the Regional Tourism Organization 8 – Kawartha Northumberland (RTO 8) did a study from 2019 through 2022 to track visitation through geofencing. The results of the study show that visitation to the geofenced areas of downtown are down 47% as Port Hope emerged from the pandemic.

The need to attract visitors to Port Hope is obvious, the opportunity to modernize and more effectively deliver these services needs to also be considered.

Discussion:

With the current climate in tourism there is the opportunity to begin to rebuild Port Hope's annual visitation numbers with a smart dedicated investment in destination marketing services. In consultation with local tourism industry stakeholders, staff have

prepared a Request for Proposal for delivery of destination marketing services that is currently out for procurement. This will contract out these services to an individual or firm to plan and implement destination marketing activities until potentially the end of 2024. From the dedicated tourism funding in the 2023 budget staff are proposing to spend up to \$75,000. This would include all costs related to the development and delivery of the services. Staff will be asking for \$150,000 in the 2024 Economic Development contracted services operating budgets to fund the extension of the contract the remaining 12 months.

A full 18 months worth of funding will provide the Municipality with the opportunity to procure stabilized specialized support in the area of destination marketing until the end of 2024. Included in any agreement would be an opportunity for contract termination, transfer or extension. While these services are being provided with funding from the Municipality, at the end of the contract it is anticipated that a new model for the delivery of Tourism will be developed and guide the delivery of destination marketing services.

In an effort to develop modern destination marketing infrastructure for the Municipality of Port Hope there is the opportunity to partner with RTO8 to access funding for tourism strategy work. Up to \$30,000 in matched dollars has been made available to fund a project that could develop modern tourism model for our community. The project would involve reviewing the current model used for the delivery of tourism services, exploring best practices, consulting with industry and could propose a new model(s) that identify structure, deliverables, funding and industry involvement.

Staff are proposing that the following process be initiated, and an RFP be developed to retain a firm or firms to deliver the following outcomes:

Stage 1 – Review, identify and recommend an appropriate model for the delivery of tourism / destination marketing for the municipality of Port Hope

- Review best practices in comparable communities to identify how destination marketing is delivered, funded, to what annual level, activities and deliverables.
- Consult with industry for input and feedback.
- Prepare a report to that recommends an appropriate model for the delivery of tourism and destination marketing services with a plan for implementation.

Stage 2 – Implementation

- Following Councils decision action the plan for implementation to establish the agreed to model for the delivery of the services.
- Leverage steering committee to assist with communications across industry.

There's no one-size-fits-all approach to destination marketing. Organizations that deliver destination marketing services can come in many forms, such as visitor bureaus, tourism boards, or membership-based associations. These organizations can be independent and industry-led, fully embedded within a local government, or operating at an arm's length.

A new structure, with a clear mandate for tourism services, and a formal mechanism for more industry stakeholder involvement, would demonstrate a commitment to building capacity and resources within the tourism sector under a fair and transparent governance model the engages the whole community.

To assist in all these activities staff are proposing striking a steering committee of industry stakeholders that can represent the following:

- Roofed Accommodations (Hotels, Inns)
- Short Term Accommodations
- Hospitality
- Retail
- Arts
- Culture
- Event Organizers
- Recreation
- Rural business
- Urban business
- Advisors
 - Northumberland County Tourism
 - RTO8
 - Council
 - HBIA
 - Chamber of Commerce

The work of the steering committee would be two-fold and would need to be finalized through the development of an approved terms of reference. It would offer input, feedback and oversight on the delivery of destination marketing services procured with Municipality. The committee would also provide input on the development of the tourism strategy from offering insight to the development of the RFP, to assisting with industry consultations and overall project communications across the sector.

While this report outlines two very different tourism projects for 2023, the timeline for the transition to a Council and industry supported destination marketing model needs to be complete prior to the end of any destination marketing contracted service. This would allow for the delivery of strong visitor attraction services as a bridge until a destination marketing organization can be both established and funded.

Activity	Current stage	Project start / reporting	Project End
Destination Marketing Contract	Out to market	July 3, 2023	End of 2024

Stage 1 - Destination Marketing Model	Assembling the Steering Committee to provide input on the RFP as it is being prepared.	Q3 – 2023	End of year 2023
Stage 2 - Destination Marketing Infrastructure implementation	This work would begin once Council has identified the appropriate model for destination marketing.	Q4 – 2023	Q2 - 2024

The timelines proposed outline a realistic approach to developing an appropriate model for the delivery of tourism services that could ultimately update the ways these services are delivered by the municipality or offer a fresh new model that engages the industry and offers identifies funding opportunities that support the revitalization and ultimate growth of this sector.

Financial Considerations:

In the current 2022 budget Council earmarked \$125,000 for the development of a Tourism strategy. In this report staff proposed the following budget for the use of these funds.

Activity	Budget
Destination Marketing Contract 2023	\$75,000
RTO8 Funding	(\$30,000)
Tourism Destination Marketing strategy	\$60,000
Total Proposed Spend in 2023	\$105,000
Remaining unspent	\$20,000

The remaining balance would provide some contingency if the costs for either activity exceed the earmarked amount. These funds could also be used to assist with any potential implementation costs associated with the tourism strategy work.

The Municipality is currently procuring an individual or firm to provide destination marketing services with the potential to contract these services for a period of up to 18 months to ensure there are consistent, stable destination marketing activities ongoing until a new model for tourism service delivery is determined and established. The total projected costs of this portion of the project would be \$225,000 for the delivery of services and all costs including advertising purchases, and creative costs. To facilitate

the total cost of this portion of tourism services would require a further \$150,000 to be included in the 2024 budget. Any contract would include the ability to cancel should Council decide not to fund the 2024 portion of the destination marketing project.

Communication and Public Engagement:

The Communications Division has been consulted and provided input with regards to the RFP that would support the delivery of destination marketing services until the end of 2024. Staff have already begun the process of assembling an appropriate and representative steering committee with inputs from our regional partners and the Port Hope Chamber of Commerce.

The process of developing a tourism strategy would rely heavily on industry consultations that could take the form of industry specific surveys and focus groups. Best practices from our region, other comparable communities and other areas of Canada and the world would be researched to provide the best possible direction for Port Hope. Throughout the process, regular communications with industry stakeholders, local tourism operators and the community at large will support a transparent and open process that attempts to appropriately manage any potential significant change in our Municipality.

Conclusion:

Moving forward with Tourism in Port Hope is a two-pronged approach. To provide and support destination marketing services in the immediate term some of the funds earmarked in the 2023 budget are to be spent on procuring an individual or firm with funds to support advertising, digital visitor information distribution and marketing.

While these services are being deployed through a third-party provider, the Municipality in conjunction with industry stakeholders would move to model of tourism / destination marketing delivery. This work would continue through 2023 and partially through 2024.

Attachments:

None.