

Visitor Economy Strategic Directions Report 2023-2028

Date: October 10, 2023

To: Economic and Community Development Committee

From: General Manager, Economic Development and Culture

Wards: All

SUMMARY

This report lays out directions to guide the work of the Tourism Services Unit in the Economic Development and Culture (EDC) Division until the end of 2028. Historically, the Tourism Services Unit has been focused on operating visitor information services, such as the Toronto Tourism Information Centre (TTIC), Info-to-Go, We've Been Expecting You, and the Festival and Events Calendar. Additional activities include providing one-on-one and online information regarding local attractions and amenities. While most of these functions remain relevant, establishing strategic directions for the next years will be necessary for the Tourism Services Unit to strategically advance the sector and City of Toronto's goals given recent local and global changes, which include:

- The tourism industry was amongst the hardest hit during the COVID-19 pandemic, and it has still not fully recovered;
- There have been significant global changes in thinking regarding approaches to the visitor economy and sustainability;
- Strategic shifts made by key industry partners in Toronto have resulted in significant changes to the local tourism ecosystem, and;
- There are many opportunities to advance and accomplish City objectives in dynamic ways given recent City strategies and programs that intersect with tourism.

In response to these changes, the *Visitor Economy Strategic Directions Report 2023 - 2028* was developed as a framework for the City of Toronto to better support the tourism sector. It revealed the need to broaden the scope beyond visitor information services, with an emphasis on the 'visitor economy' as a community-centred concept concerned with the whole environment that tourists and residents share to contribute to the wider economic, social, and cultural success of Toronto. To advance this goal, the *Visitor Economy Strategic Directions Report 2023 - 2028* proposes changing the name of the Tourism Services Unit to Visitor Economy Office to reflect the broader mandate that will drive the actions that the unit will undertake.

Three strategic directions for the Visitor Economy Office in 2023-2028 are identified:

1. Provide a Gateway to Municipal Services and Support Destination Alignment
2. Connect to Communities through a 'Locals-first' Approach
3. Connect to the Visitor to Enhance Access and Experience

These three strategic directions are aligned with the Economic Development and Culture Division 2022-2023 Strategic Directions, which identify tourism as a high-growth sector where Indigenous, Black and equity-deserving groups have higher than average employment, and where sector growth could enhance this feature. Given the broader focus on the visitor economy, including on the importance of local communities, the strategic directions will also inform work plans for the Visitor Economy Office to better support key City strategies such as the Reconciliation Action Plan, the Toronto Action Plan to Confront Anti-Black Racism, TransformTO Net Zero Strategy, and the Toronto Music Strategy.

The *Visitor Economy Strategic Directions Report 2023 - 2028* was informed by interviews and surveys involving industry leaders, research, jurisdictional review, and analysis of current programs undertaken by the tourism consultancy, Brain Trust. The consultation and research provide a path forward that not only shows the approach that should be taken given current market conditions, but also reveals programs that have become dated and could be reconsidered based on the three identified strategic directions to better support Toronto and current City of Toronto strategic goals. With greater focus on the reciprocity between destination and visitor, the Visitor Economy Office will be better positioned to meaningfully advance broader City priorities.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. The Economic and Community Development Committee receive this report, for information.

FINANCIAL IMPACT

There are no current year financial impacts resulting from the recommendations contained within this report. The resources required to support the identified strategic directions on a near-term basis will be accommodated within the 2023 Council Approved Operating Budget of Economic Development and Culture.

The strategic directions identified in the Visitor Economy Strategic Directions Report 2023-2028 may have future year financial implications. Any incremental resource requirements including staffing impacts to advance the strategic directions, if required, will be submitted for consideration against other Citywide priorities as part of future budget processes.

The Interim Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as presented in the Financial Impact section.

DECISION HISTORY

At its meeting on September 5, 2019, Economic and Community Development Committee adopted the item EC7.8 Animating Winter in Toronto: First Steps Update, which provided an overview of City activities that support the visitor economy throughout the winter months.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EC7.8>

At its meeting on July 16, 2019, City Council adopted the item EC6.8 Strengthening Toronto's Nighttime Economy, which highlighted the nighttime economy as a key contributor to tourism and the overall visitor economy.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EC6.8>

At its meeting on December 16, 2020, City Council adopted the report from the City of Toronto's Economic and Culture Recovery Advisory Group entitled "Building Back Stronger: Report of the City of Toronto's Economic and Culture Recovery Advisory Group", advocating for ongoing programs and collaborations with partners in the hospitality sector to "expand and enhance existing initiatives to rebuild local tourism" in order to support economic recovery.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC18.15>

At its meeting on November 19, 2021, City Council adopted the item EC25.3 Developing a Cultural Districts Program, where cultural districts are recognized as municipally significant areas for tourism.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.EC25.3>

At its meeting on April 6, 2022, City Council adopted the item EX31.1 Actions to Advance Truth and Justice for Indigenous People in the City of Toronto: Reconciliation Action Plan 2022-2032, where the City reaffirms its ongoing commitment to support Indigenous values and approaches through placemaking activities and cultural events.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX31.1>

At its meeting on July 19, 2022, City Council adopted the item EC31.19 Economic Development and Culture Division Strategic Directions 2022-23, which identifies tourism as a high-growth sector and highlights opportunities to leverage Toronto as a tourist destination to advance key industries.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EC31.19>

At its meeting on April 6, 2022, City Council adopted the item EC28.14 Toronto Music Strategy, which aims to enable the Music Office to facilitate industry growth in Toronto's vibrant music sector, ultimately leading to increased economic activity, placemaking, and in-bound tourism.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EC28.14>

At its meeting March 29, 2023, City Council adopted the item MM5.20 Toronto is Calling: Supporting Tourism and Hospitality Sector in Pursuit of a Strong Economic Recovery, which recognized the importance of the tourism and hospitality sector for a strong economic recovery.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM5.20>

COMMENTS

Background

Destination Toronto estimates that, pre-pandemic, Toronto's 27.5 million annual visitors generated an economic impact of \$10.3 billion and supported 70,000 jobs (2018). During the pandemic, Destination Toronto estimated the lost economic impact was over \$8B as visitor spending contracted sharply. As it emerges from COVID-19, the industry continues to face ongoing challenges that curtail recovery, and the adjacent sectors it nourishes (e.g., retail, arts and culture, restaurants) are likewise affected. With the significant opportunities the sector presents, it is vital for the City of Toronto to have a current, informed, and forward-looking set of strategic directions to ensure the power of this sector is embraced and advanced, and that it serves to support the City's objectives for Torontonians as well as for those who visit.

The global pause caused by the COVID-19 pandemic has prompted fresh thinking about the sector, its impacts, and the outcomes it can attain. The recent landmark report by Destinations International, [DestinationNext: 2021 Futures Study](#), discusses in detail a shifting paradigm of how destinations can support tourism and how tourism in turn benefits the local community. Further, the overarching metrics that define success in a tourism context are changing. While economic prosperity remains to be core for the sector, it is no longer the sole measure. Destination marketing organizations, globally and locally, are evolving their mandates to drive a broader positive impact to both their industry and their jurisdiction. For example, many destinations are adopting a regenerative tourism approach, which strives to create an ecosystem of collaboration that supports economic growth, thriving operations, sociocultural vibrancy, healthy people, and a healthy environment for generations to come.

In response to this paradigm shift, Toronto's destination marketing organization, Destination Toronto, is evolving beyond its historic priority of serving its membership base and extends its focus to the destination as a whole by supporting broader business development through its Toronto Inc. partnership and uplifting culture and community through a variety of initiatives. These new dynamics create a new imperative for the Tourism Services Unit to likewise shift its approach to industry support. Building on some of its existing programs, which largely focus on providing information services to visitors, the Unit will take a new and proactive approach to sector development, thereby ensuring the City supports the objectives of the tourism industry and that the tourism industry likewise champions the City's strategic objectives and goals for local investment and vibrancy. Additionally, the City is on the cusp of hosting major global events including the FIFA World Cup, which requires the City to embed a tourism lens to fully capitalize on the opportunities these events create. The Tourism Services Unit in

Economic Development and Culture will provide that lens to ensure visitors, residents and the tourism industry are served in a way that advances the destination and the visitor experience.

Overview: Visitor Economy Strategic Directions Report 2023 - 2028

In recognition of the need for a more holistic and strategic approach, the Visitor Economy Strategic Directions Report 2023-2028 in Attachment 1 - developed through extensive consultation and research - proposes changing the name of the Tourism Services Unit to Visitor Economy Office to reflect that the office, in addition to providing visitor information services, is:

- a centre of knowledge within the City,
- a resource for sector development for industry,
- a centre of engagement with community and industry in service of City strategic goals

Specifically, three broad priorities/strategic directions were identified for the Visitor Economy Office, and will translate into annual action/work plans:

Strategic Priority 1: Provide a Gateway to Municipal Services and Support Destination Alignment

The Visitor Economy Office will be a proactive entry point and advocate for industry's engagement with all aspects of municipal government. Whether leveraging the City's convening power, facilitating inter-governmental advocacy on industry issues, providing information or support for priority goals such as climate change or equity, supporting growth of tourism enterprises through sector development, or simply facilitating event support or access to space, the Visitor Economy Office will ensure industry partners benefit fully from the assets and services uniquely offered by municipal government.

Further, the Visitor Economy Office will be the centre of expertise and a bridge to the tourism industry for Toronto's municipal government. As a key industry in Toronto, the needs of the tourism sector should be considered in the development of City policies and strategies, planning activities, advocacy, and other relevant initiatives. The Visitor Economy Office will support and enhance the City's work by consulting with industry stakeholders to ensure all City staff have a current understanding of industry needs and opportunities.

Tourism and the visitor economy are ideally positioned to support the City to achieving its key strategic goals, such as those identified in the Reconciliation Action Plan or Toronto's Action Plan to Confront Anti-Black Racism as examples. Where the visitor economy can be leveraged to support cultural, economic, or social goals, the Visitor Economy Office will engage industry stakeholders to activate, partner with and/or enable the support they can provide toward achieving City objectives.

By focusing on leveraging and serving the unique attributes of municipal government, the Visitor Economy Office will support destination alignment, ensuring the City serves

the needs of industry partners in a singular way, contributing to an effective ecosystem that supports the industry and the residents of Toronto.

Strategic Priority 2: Connect to Communities through a 'Locals-first' Approach

Tourism plays an important role in enhancing communities by adding amenities, attractions, investments, and opportunities that not only benefit visitors, but also increase the quality of life for residents. Local communities likewise enhance the visitor economy by providing authentic, singular experiences grounded in a unique sense of place and culture. The Visitor Economy Office will support the industry in taking a 'locals-first' approach to tourism. Prioritizing how tourism impacts the resident will drive a shift towards sustainable tourism goals filtered through a lens of resident quality of life, economic prosperity, and sociocultural vibrancy.

Celebrating Toronto's diversity in the neighbourhoods where it thrives, the Visitor Economy Office will advance equity and inclusion by ensuring Toronto's diverse communities and their events and businesses are linked to visitors and to the opportunities the visitor economy brings. In addition to supporting economic impact driven by hyper-local visitation, the Visitor Economy Office will augment the industry's employment impact by ensuring Torontonians who are Indigenous, Black, racialized, 2SLGBTQ+, or living with disabilities are engaged in workforce development that leads to good jobs in this vital industry.

Business travel, including conventions and conferences, has tremendous potential to advance local industries in ways that sustain after the event. Working with internal and external partners to ensure local industry derives enduring benefits from this segment of the visitor economy, the Visitor Economy Office will support City and partner alignment on priority sectors and engagement with local businesses.

Through this approach, tourism will be leveraged to enhance the lives of Toronto's residents and businesses, advancing cultural vibrancy, and building economic opportunities across the city in alignment with key City strategies.

Strategic Priority 3: Connect to the Visitor to Enhance Access and Experience

Visitors are increasingly looking for ways to feel connected to their travel destination. Thoughtful and strategic information services can enhance visitors' experience of the city, draw their attention to communities and main streets, and create meaningful interactions with residents, while simultaneously increasing and expanding the footprint of the industry's economic impact.

Tourism Services Unit's existing platforms, TTIC and Info-to-Go, provide unique benefits in that they are essential services for those who cannot or do not wish to rely solely on online information sources. For example, as a mobile information kiosk, Info-to-Go brings these assets to areas across Toronto, connecting with residents and visitors to encourage engagement with all Toronto has to offer.

Technological advancement is moving the travel sector to a place of seamless travel experiences. Together with in-person approaches, tools like technology-based information platforms can be leveraged to better serve City objectives in how visitors are engaged and interact with the city. In addition to maintaining, updating, and promoting existing services and tools, the Visitor Economy Office will explore new approaches to visitor engagement, including partnership models with industry stakeholders.

Working with partners, the Visitor Economy Office can contribute to the City's central role in telling Toronto's story by advancing initiatives, services, programs, and tools that make enhanced connection part of an overall experience that is meaningful and memorable.

Next Steps

The *Visitor Economy: Strategic Directions Report 2023 - 2028* will guide the work of the Visitor Economy Office, with internal annual work plans developed to advance the strategic priorities and to ensure that the City creates more meaningful and durable outcomes for business, culture, the industry, and residents. The Visitor Economy Office will build upon past programs and expertise while at the same time embracing a new partner-driven and 'local first' approach, founded in sustainability, community, creativity, and prosperity. By leveraging the unique assets and capabilities of the municipality and adopting the identified strategic directions, the City will make a singular and powerful contribution to support Toronto and the tourism sector in a way that benefits residents and visitors.

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Visitor Economy Strategic Directions Report 2023-2028