



Town of Niagara-on-the-Lake

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REPORT #: CAO-25-011

COMMITTEE DATE: 2025-03-25

DUE IN COUNCIL: 2025-03-25

REPORT TO: Council

SUBJECT: Staff Review – Tourism Strategy

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Report CAO-25-011 Staff Review – Tourism Strategy be **RECEIVED**;
- 1.2 Council **APPROVE** the amendments to the Niagara-on-the-Lake Tourism Strategy, Masterplan, and Action Plan as redlined in Appendix 1;
- 1.3 Incorporating Council direction from Recommendation 1.2 above, Council **APPROVE** the Town of Niagara-on-the-Lake Tourism Strategy and Action Plan in its entirety;
- 1.4 Staff be **DIRECTED** to apply Town branding to the final approved Town of Niagara-on-the-Lake Tourism Strategy and Action Plan documents;
- 1.5 Council **RECOGNIZE** the Tourism Strategy Committee for their efforts and success in drafting the Tourism Strategy and further, with the work now complete, that the Committee be sunset;
- 1.6 Council **REQUEST** the appointed Destination Marketing Organization (DMO) to bring forward an Information Report on the status of its Board formation, governance structure, and any outstanding financial and governance matters;
- 1.7 Staff be **DIRECTED** to develop an updated Financial Accountability and Services Agreement with the appointed DMO to reflect the new governance structure and the deliverables outlined in the Tourism Strategy;
- 1.8 Staff be **DIRECTED** to work with the appointed DMO to review, prioritize, and further define timelines, priorities, and budget to ensure alignment with available resources and strategic goals.

2. EXECUTIVE SUMMARY

At its meeting on March 19, 2024, Committee of the Whole General received the Tourism Strategy, Masterplan, and Action Plan 2024-2028 (the Strategy) developed by the NOTL Tourism Strategy Committee and CBRE Project Team and referred the materials to the Chief Administrative Officer (CAO) and Senior Staff for further discussion.

A number of events have impacted the review of the Strategy, including leadership changes at the Niagara-on-the-Lake Chamber of Commerce (NOTL Chamber) and Tourism Niagara-on-the-Lake (Tourism NOTL), the establishment of Tourism NOTL as a separate entity (governance and

new board), final recommendations of the Municipal Accommodation Tax (MAT) Committee, and the hiring of the Economic Development Officer.

The Staff review is now complete. Staff endorse the framing of the goals and priorities in the Strategy. Staff have made some recommendations to revise the vision statement, and a number of amendments to the “strategic actions” are proposed to reflect the current environment and to provide further clarity on assigned roles and responsibilities. Recommended revisions for Council consideration are redlined in Appendix 1, attached.

3. PURPOSE

The purpose of this report is to provide Council with Staff comments and recommended amendments to the Tourism Strategy in support of final Council approval.

4. BACKGROUND

Under the *Municipal Act, 2001*, the Province of Ontario issued the Transient Accommodation Regulation (Ontario Regulation 435/17), which came into force on December 1, 2017, providing local-level municipalities the authority to implement a Municipal Accommodation Tax (“MAT”) on short term accommodations, such as hotels and short-term rentals. On June 20, 2022, Niagara-on-the-Lake Council approved Municipal Accommodation Tax By-law No. 5435-22.

On November 24, 2022, Staff issued a Request for Proposal (RFP) on the Town’s eProcurement Website, Bids and Tenders for developing a Tourism Strategy. The procurement closed December 6, 2022, and the RFP was awarded to CBRE’s Tourism and Leisure Group.

On December 20, 2022, Council approved the creation of the Tourism Strategy Committee. The first Tourism Strategy Committee meeting occurred August 15, 2023, with on-going meetings until March 3, 2024.

Ontario Regulation 435/17 requires that when a MAT is imposed, the municipality is responsible for the collection, financial oversight, compliance, and entering into agreements to ensure accountability with the designated tourism entity receiving MAT funds. The regulation mandates that at least 50% of MAT funds go to a Council-appointed eligible not-for-profit tourism entity (often a Destination Marketing Organization or DMO) whose mandate includes promoting tourism.

On December 5, 2023, Council appointed Tourism NOTL as the designated tourism entity eligible to receive MAT funds. The Municipal Accommodation Tax Financial Accountability and Services Agreement was signed on December 13, 2023.

On March 19, 2024, Council was presented the Niagara-on-the-Lake Tourism Strategy, Masterplan, and Action Plan 2024-2028 (Tourism Strategy) after 14-months of work by the Tourism Strategy Committee, in consultation with the Town’s consultant CBRE.

On May 6, 2024, the Town hired an Economic Development Officer (EDO). The EDO regularly meets with tourism stakeholders and businesses across the community. Additionally, the EDO attended the NOTL Chamber and Tourism NOTL Joint Board Meetings in conjunction with Councillor Cheropita and Councillor Mavridis, the appointed Council representatives, until the Joint Board was dissolved on December 19, 2024.

5. DISCUSSION / ANALYSIS

As part of the Staff review, dialogue has been ongoing with the joint Executive Director of Tourism NOTL and NOTL Chamber to look at how to operationalize a number of action items in the Strategy to ensure that stated objectives can be achieved and ambiguity removed.

Current State

The tourism ecosystem in Niagara-on-the-Lake has many moving parts at different levels of development and operational maturity. There is a desire from stakeholders to move forward in finalizing and implementing the Tourism Strategy. It must be understood however that several pieces are not yet in place, and this is a case of “building the plane while flying the plane”. Some of the tactical action items proposed in the Strategy may require refinement as the implementation process rolls out.

As an example, given the longstanding working relationship with the Town, Tourism NOTL has been chosen as the Town’s eligible DMO with Council direction to establish a separate entity from the NOTL Chamber. While other municipalities have set up their DMOs as a Municipal Services Corporation with the Town as the single shareholder, the Town did not prescribe how to achieve the “separate entity” outcome. At present, Staff have received a request that Council appoint a Council representative to the Tourism NOTL Board at the March 25, 2025 Council Meeting. Board accountability, financial transparency, and municipal oversight will be the subject of a future report and the legal agreement.

The current Municipal Accommodation Tax Financial Accountability and Services Agreement with Tourism NOTL does not reflect the new governance structure nor objectives and deliverables in the Strategy. This agreement will have to be updated as part of the next steps.

Economic Development Officer

In early May 2024, the Town appointed a new Economic Development Officer. In consideration of the proposed Tourism Strategy and complementary activities supporting Town government relations, the role was expanded and reclassified as the Town’s Government Relations, Economic Development and Tourism Officer in January 2025. This role now sits as a member of the Town’s Senior Leadership Team.

In addition to traditional economic development and government relations activities, this role is the Town’s delegated liaison with Tourism NOTL, ensuring collaborative and aligned decision-making and that the implementation of the Tourism Strategy stays on track. The role is also responsible for supporting and making internal links on policy affecting tourism and projects supporting tourism infrastructure. The proposed amendments in Appendix 1 align with the current assignment of responsibilities for this position.

Sunsetting the Tourism Strategy Committee

The comprehensive five-year Tourism Strategy is the culmination of 14 months of work by the NOTL Tourism Strategy Committee (made up of industry leaders, operators, and stakeholders) and the CBRE Project Team. This work is now complete.

The Strategy proposes that the Tourism Strategy Committee remain active in an advisory role as “representatives of NOTL’s visitor economy”. By design, the DMO is to represent and support the Niagara-on-the-Lake tourism sector and act as the authoritative voice on tourism marketing and visitor services. Expanding the scope of the Tourism Strategy Committee to be ongoing would be redundant and an additional draw on staff resources to support the committee.

Staff recommends that the Tourism Strategy Committee be recognized for their efforts and success and that the Committee be sunset.

Branding the Strategy Documents

Upon Council's final approval of the Strategy, it is recommended that public documents associated with the Strategy recognize the Tourism Strategy Committee and CBRE team as authors, but that the documents be branded as a Town product on the cover and footers (i.e. The Town of Niagara-on-the-Lake Tourism Strategy and Action Plan).

The Tourism Strategy is a Town-led document that serves as a defining vision and comprehensive roadmap to support sustainable growth and development within the tourism and the visitor economy in Niagara-on-the-Lake. It outlines strategic priorities, objectives, and initiatives that support the long-term success of our tourism sector while balancing the needs of residents, businesses, and visitors.

The DMO is contracted by the Town to support the implementation of the strategy by leading the marketing and promotion of Niagara-on-the-Lake as a premier destination. While the DMO plays a critical role in executing marketing efforts, the overall direction, priorities, and policies within the Tourism Strategy are set by the Town to ensure alignment with our broader economic development and community goals.

By working together, the Town and the DMO can effectively enhance visitor experiences, support local businesses, and ensure that tourism continues to contribute positively to our community.

Vision Statement

As part of ongoing efforts to ensure that the Tourism Strategy accurately reflects the breadth and diversity of Niagara-on-the-Lake's tourism offerings, Staff recommends refining the vision statement as follows:

Current Vision Statement: *"Niagara-on-the-Lake is an extraordinary wine country destination, known for its natural beauty, and unrivaled cultural experiences."*

Recommended Revision: *"Niagara-on-the-Lake is an extraordinary destination, known for its natural beauty, food and wine, and unrivaled cultural experiences."*

The revised vision statement better reflects the full range of Niagara-on-the-Lake's tourism assets by explicitly including food alongside wine. This acknowledges the importance of our tender fruit and culinary sector, which plays a significant role in our local economy and visitor experience.

While wine remains a signature attraction, our community is also recognized for its fresh local produce, farm-to-table dining, and thriving culinary scene. Highlighting "food" in the vision statement ensures that these essential elements of our regional identity are given due prominence.

The updated vision statement presents Niagara-on-the-Lake as a more comprehensive and well-rounded tourism destination, appealing to a broader audience, including food enthusiasts, culinary tourists, and agritourism visitors. Culinary tourism is an increasingly influential factor in destination selection. By integrating "food and wine" into the vision statement, we align with evolving visitor expectations and industry best practices.

This small but meaningful refinement ensures that the Tourism Strategy remains inclusive, representative, and competitive, strengthening Niagara-on-the-Lake's positioning as a premier destination for both domestic and international travellers.

Establish Timeframes, Priorities and Budgets

In Appendix 1, timelines, priorities, and budget have been intentionally greyed out to allow for further refinement. These elements will be guided by the recommendations of the Tourism Strategy Committee, with feasibility assessments conducted by both the Town and the DMO.

As part of the next steps, these details will be reviewed, prioritized, and further defined to ensure alignment with available resources and strategic goals. This approach allows for flexibility while ensuring that implementation remains both practical and effective.

Next steps

Short-term next steps include:

- Finalizing the Town of Niagara-on-the-Lake Tourism Strategy and Action Plan documents and sharing them publicly with the community;
- Clarity on the establishment of the DMO Board, outstanding financial and governance matters;
- Preparing a revised Financial Accountability and Service Agreement with the DMO to reflect obligations, expectations and action items in the Strategy;
- Collaboration between Staff and the DMO to review, prioritize, and further define timelines, priorities, and budget to ensure alignment with available resources and strategic goals.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar

1. Vibrant & Complete Community

Priority

1.3 Strategies & Masterplans

Action

1.3 a) Strategies & Masterplans

Pillar

1. Vibrant & Complete Community

Priority

1.2 Economic Development & Community Partnerships

Action

1.2 b) Community Partnership

7. OPTIONS

- 7.1 Option 1: That Council approve the amendments to the Niagara-on-the-Lake Tourism Strategy, Masterplan, and Action Plan as outlined in Appendix 1 and direct staff to proceed with finalizing the document, applying Town branding, and collaborating with the DMO to define timelines, priorities, and budget. **(Recommended)**

- 7.2 Option 2: That Council defer approval of the Tourism Strategy to allow for further consultation with stakeholders and additional revisions before final adoption. This action is not recommended as the strategy has already undergone extensive review and delaying approval may hinder implementation efforts. *(Not Recommended)*
- 7.3 Option 3: That Council reject the proposed amendments and maintain the Tourism Strategy in its current form. This action is not recommended as the amendments provide greater clarity, align the strategy with current governance structures, and ensure an effective implementation framework. *(Not Recommended)*

8. FINANCIAL IMPLICATIONS

Implementing the Tourism Strategy will require a phased budgeting and resource allocation approach to ensure alignment with available funding streams and strategic priorities.

- **Municipal Accommodation Tax (MAT) Allocation:** The strategy is partially funded through MAT revenues, which are designated for tourism development and promotion. In the 2025 budget cycle, 25% of the Economic Development budget is funded with MAT. However, adjustments to the MAT Financial Accountability and Services Agreement will be necessary to align funding with the new governance structure and strategic objectives.
- **Operational Costs for Implementation:** Staff time and resources will be required to support the execution of key initiatives, stakeholder engagement, and collaboration with the DMO. Any additional resource needs will be assessed through future budget planning cycles. For the 2025 budget cycle, 25% of the Economic Development budget is funded with MAT, consistent with recommendations in the attached Tourism Strategy.
- **Marketing and Promotion Expenditures:** While the DMO is responsible for executing destination marketing, any Town-led promotional efforts or public communication initiatives related to the strategy may require additional funding considerations.
- **Infrastructure and Development Investments:** Some long-term strategy actions, such as tourism infrastructure enhancements, wayfinding improvements, or sustainability initiatives, may require capital investments. The feasibility of these projects will be determined based on available funding, grant opportunities, or alignment with the Town's MAT funding criteria.
- **External Funding and Grant Opportunities:** Staff will explore potential provincial and federal tourism funding programs to support key initiatives and minimize reliance on municipal funds. Council will be updated on any new funding opportunities as they arise.

As part of the next steps in the implementation process, a more detailed financial breakdown, including prioritized budget allocations and funding sources, will be developed.

9. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications anticipated as a direct result of this report.

10. COMMUNICATIONS

If Council approves the proposed next steps, staff will ensure comprehensive communication of all efforts related to the Town of Niagara-on-the-Lake Tourism Strategy and Action Plan's implementation. This will include:

- **Public Transparency:** Updating the Town's website with finalized Tourism Strategy documents, including clear messaging on the Town's role in guiding tourism growth and the DMO's role in marketing and promotion.
- **Stakeholder Engagement:** Engaging directly with local businesses, tourism operators, and community partners to communicate key updates, next steps, and opportunities for collaboration.

- **DMO and Industry Coordination:** Working closely with the DMO to align external messaging and ensure industry stakeholders are informed about marketing initiatives and changes in governance structure.
- **Community Awareness:** Developing public-facing materials to educate residents on how the Tourism Strategy supports sustainable economic growth while balancing community needs.
- **Ongoing Updates:** Providing regular progress reports to Council and ensuring timely communication of any policy adjustments, funding developments, or strategic refinements.

These efforts will ensure clarity, foster collaboration, and maintain transparency throughout the implementation process.

11. CONCLUSION

The Town of Niagara-on-the-Lake Tourism Strategy and Action Plan sets a clear direction for the sustainable growth and development of Niagara-on-the-Lake's tourism sector, ensuring alignment with community values and economic goals. With Council's approval, Staff will work collaboratively with the assigned DMO and key stakeholders to refine timelines, priorities, and budget considerations, ensuring effective implementation.

The sunseting of the Tourism Strategy Committee marks the transition to a focused execution phase, where the Town will maintain oversight and strategic leadership. Through coordinated efforts, Niagara-on-the-Lake is well-positioned to enhance its reputation as a premier destination while supporting local businesses and maintaining a balanced approach to tourism development. Staff will provide ongoing updates as the implementation progresses.

12. PREVIOUS REPORTS

- CS-23-030 - Municipal Accommodation Tax – Transfer Payment Agreement (September 26, 2023)
- CAO-23-021 - Tourism Strategy Committee Structure and Project Update (February 21, 2023)
- CAO-22-038 - Tourism Strategy Request for Proposal (December 20, 2022)

13. APPENDICES

- Appendix I – Niagara-on-the-Lake Tourism Strategy, Masterplan, and Action Plan – Redlined

Respectfully submitted:

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