



Tourism Investment Attraction
Ministry of Tourism, Culture and Sport

Presentation to Ontario East Municipal Conference

September 12, 2013

Agenda

- Background and Context
- Economic Impact of Tourism for Eastern Ontario
- Tourism Investment Strategy
- MTCS Resources and Recent Successes
- Municipal Outreach

Tourism Matters

- **Tourism is an essential part of Ontario's economy and its regional economies**
- **In 2011, tourism generated receipts of \$23.1 billion and supported over 300,000 jobs**
- **Tourism is Ontario's 14th largest employer and provides jobs for youth, women, and new Canadians in higher proportion than Ontario's economy as a whole**
- **Ontario's 148,200 tourism-related businesses represent 17% of all businesses in Ontario**
- **Global tourism is poised to grow rapidly as the worldwide travelling population is projected to double to 1.6 billion by 2020**
- **Ontario 2010:**
 - **Visits increased by 1.4% to 105.2 million**
 - **Visitor spending increased by 3.7% to \$17.7 billion**

MTCS Investment Role

- MTCS's Investment & Development Office (IDO) mandate is to support destination development and investment in Ontario's tourism industry
- MTCS partners with Ministry of Economic Development, Trade and Employment in the delivery of investment attraction services
- Investment roles include identifying regional tourism investment opportunities, supporting priority tourism development projects, maintaining a global investor database, the tourism investment website portal and communications/lure documents

IDO's Role in Attracting Tourism Investment

Assist **Investors** in:

- Organizing tourism investment trips to Ontario
- Providing contacts to assist with business interests
- Providing detailed information on tourism sub-sectors which hold the greatest opportunities for investment

Assist **Municipalities** in:

- Identifying tourism business investment opportunities
- Providing information to support the business case or feasibility study
- Promoting investment cases
- Connecting with the investment community

Assist **Tourism Operators** in:

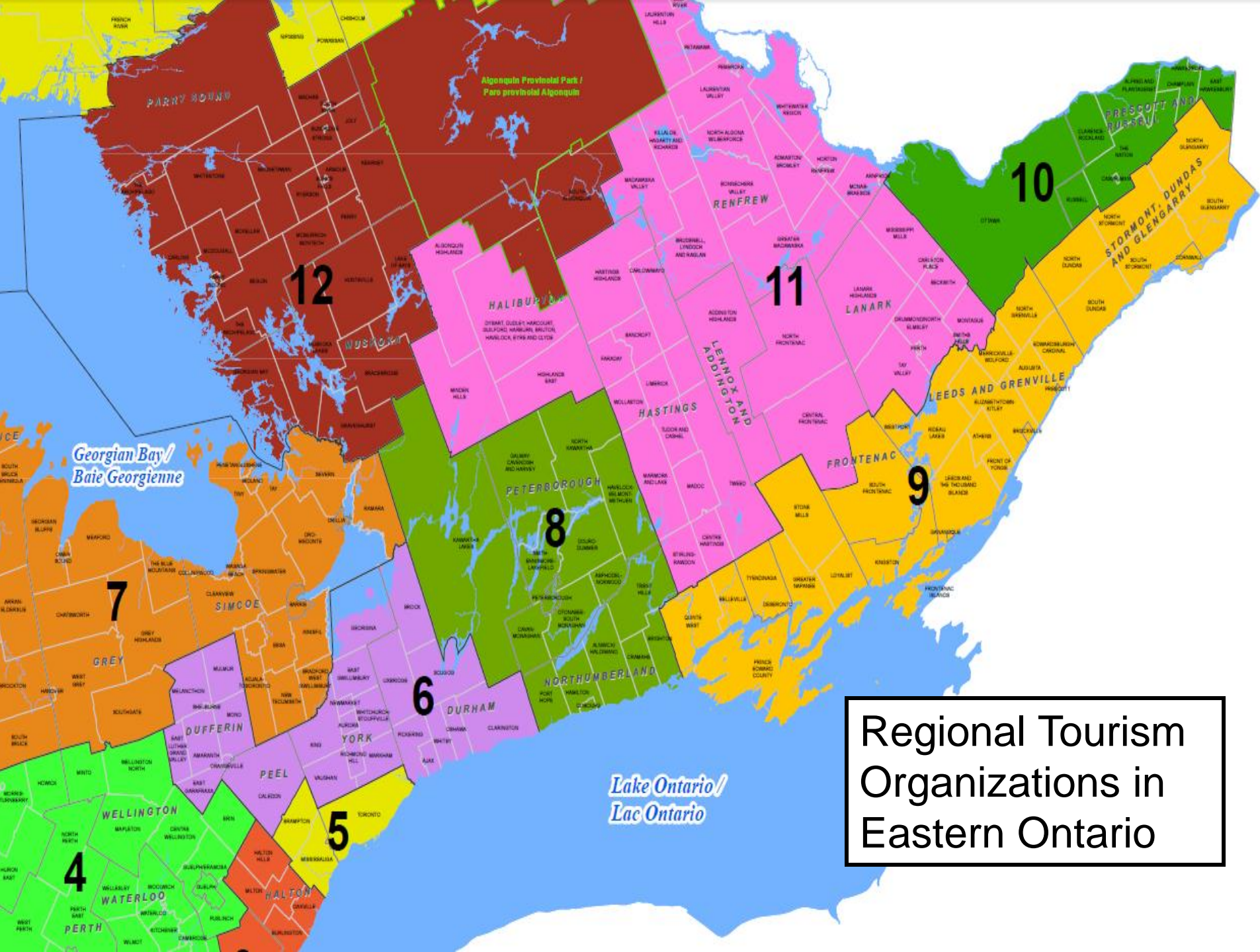
- Reviewing business and marketing plans
- Identifying emerging markets
- Providing statistical and trend analysis
- Presenting information on relevant government programs

Ontario's Current Projects

- **Not since Canada's Wonderland opened in 1981 (Canada's largest tourism employer with over 4,000 staff), has Ontario seen a boom in new tourism-related investments.**
- **The Ministry continues to support private sector investment projects in the pipeline totalling over \$3B and 5,000 jobs including:**
 - **Ripley's Aquarium of Canada, Toronto, \$130M investment, 360 jobs, Fall 2013**
 - **Merlin Entertainment, Legoland Discovery Centre, Vaughan, \$12M, 50 jobs, Spring 2013**
 - **Toronto Premium Outlets (100 designer stores), Halton, 500 jobs, Summer 2013**
 - **Skyline International, Georgian Valley, \$1.6B investment, 2000 jobs, TBD**
 - **Fort Erie Canadian Motor Speedway, \$400M investment, 350 jobs, 2014**
 - **Aquatarium Brockville, \$20M investment, 75 jobs, Spring 2014.**
 - **Various hotel developments in Toronto and Niagara Falls.**
- **Some of these investments are funded and developed by foreign investors from USA, Israel, Kuwait and Eastern Europe.**
- **Since 2000, over \$9 billion has been invested in Ontario's accommodations sector.**
(PKF consulting 2012).

MTCS Incentives

- The Ministry has a Tourism Investment Strategy which aims to attract private sector investment into Ontario
- Support for investment projects include financial incentives, site location identification, familiarization trips, government contacts, senior level meetings, economic impact analysis, market research, tracking, etc.
- Support for tourism related applications to the Eastern Ontario Development Fund



Regional Tourism Organizations in Eastern Ontario

Region	Visits	Expenditures	Average / trip	US Visitors*	Overseas**
8	4.6 M	\$456 M	\$98	69% from border states. Of which, 29% from New York	UK leading at 28%
9	6.4 M	\$575 M	\$117	80% from border states. Of which, 65% from New York	France leading at 20%
10	6.9 M	\$1.3 B	\$190	50% from border states. Of which, 29% from New York	France leading at 16%
11	4.2 M	\$419 M	\$100	74% from border states. Of which, 38% from New York	Germany leading at 20%
Ontario	103.7 M	\$17.1 B	\$165	77% from border states. Of which, 31% from New York and 29% from Michigan.	UK leading at 16%

*U.S. visitors represented 11% of visits and 18% of expenditures

**Overseas visitors accounted for 2% of visits and 15% of spending

Source: Statistics Canada, Travel Survey of the Residents of Canada 2010, International Travel Survey 2010, Ontario Ministry of Tourism, Culture and Sport

Tourism Investment Strategy

WELCOMING INVESTORS:

A Tourism Investment Attraction Strategy for Ontario



Ministry of Tourism, Culture and Sport

Context – Tourism Investment Approach

- The Ministry of Tourism, Culture and Sport has identified tourism investment attraction as a key priority to drive jobs, investment and increased visitation in the tourism industry.
- Since 2001, a number of studies have identified the need to implement a targeted, strategic approach to selling Ontario as a tourism investment destination.
- In July 2010, Minister's approval was received to proceed with the development of a 10 -Year Tourism Investment Strategy and Implementation Plan.
- In October 2012, the Ministry launched *Welcoming Investors – A Tourism Investment Attraction Strategy for Ontario* at the Ontario Tourism Summit in London.

Recommended Investment Approach for MTCS

MTCS is implementing the following investment attraction recommendations:

1. Establish Tourism as a priority sector in Ontario's investment attraction approach.
2. Create a powerful value proposition to promote Ontario as a destination of choice for tourism investment.
3. Develop an investor outreach approach to promote Ontario's value proposition and generate investment leads.
4. Support investment leads with an all-of-government approach.
5. Identify provincially owned assets as opportunities for private sector investors.

Investment Strategy Implementation

1. **Establish Tourism as a priority sector in Ontario's investment attraction mandate.**

Ministry Role:

- Partnership established with the Ministry of Economic Development, Trade and Employment (MEDTE) to support lead generation and investment marketing for tourism.
- ADM working group on priority projects.
- Three Senior Investment Consultants at the Investment and Development Office (IDO) are focused on identifying investment opportunities, generating leads and supporting developments.

Regionally:

- Establish relationships with the RTO's, EDO's, and municipal leaders to raise the profile of tourism as an economic driver and investment priority.
- Identify major tourism generators, establish relationships with existing businesses and consult on future investment plans.

Investment Strategy Implementation

2. **Create a powerful value proposition to position Ontario as a destination of choice for tourism investment.**

Ministry Role:

- Document key reasons to invest in Ontario's tourism industry.
- Examine policies and programs across government to support tourism investors.
- Utilize the Tourism Development Fund to encourage projects which support private sector investment attraction.
- Partner with regions to identify and develop market ready investment opportunities.

Regionally:

- Develop regional asset maps to identify tourism product strengths, clusters, gaps and investment opportunities.

Ontario's Value Proposition

- **A large and growing tourism market** - 35% of all tourism spending in Canada takes place in Ontario.
- **Investor's choice** - Ontario is Canada's leading destination for foreign direct investment and second only to California in all of North America.
- **Access to capital** - Toronto is home to Canada's secure and enviable financial sector.
- **Lowest taxes** - Ontario has one of the lowest corporate tax rates in all of North America.
- **Human capital** - Ontario has a diverse, multilingual, highly educated and available workforce.
- **Best brand – anywhere** - International business consulting group, Future Brand, has dubbed Canada the best country “brand” in the world.
- **Competitive cost** – Among the 30 largest North American cities (metro populations of 2 million plus), KPMG ranks Toronto second for low business costs.
- **Well connected** - Toronto's Pearson Airport is the 4th largest entry point into North America and highly connected to US and International destinations.
- **A growing economy** - The International Monetary Fund has forecast Canada to have the highest economic growth among G7 countries for 2012.
- **Demand** - There are 139 million consumers within an 8 hour drive of Toronto.
- **Support for Business** - the Government of Ontario has dedicated programs and services to support international investment, major events, site visits and business feasibility studies.
- **Tourism investor confidence** - International brands including Ripley, Legoland, Trump, Four Seasons, Shangri-la, and Ritz Carleton have invested in Ontario within the last two years.
- **Iconic assets** - Ontario has prime destinations looking to grow including: Toronto's waterfront – largest urban waterfront redevelopment in North America; Georgian Bay – home to Wasaga Beach, the world's largest freshwater beach; Prince Edward Counties, award winning wine and culinary region; the world-renowned Rideau Canal, a UNESCO World Heritage Site, and the Trent Severn Waterway, National Historic Site – identified by *National Geographic* as one of the “Top 500 trips of a lifetime.”

Investment Strategy Implementation

3. **Develop an investor outreach approach to promote Ontario's value proposition and generate investment leads.**

Ministry Role:

- Regular communication with International Marketing Centres, International Business Development Representatives, Investment Promotion Agencies to encourage investment leads and provide information on Ontario tourism opportunities.
- A list of domestic and foreign investors is being developed for lead generation purposes.
- Participation at key investment shows/conferences is planned.

Regionally:

- Participate at investment shows to promote regional investment opportunities as appropriate, support incoming missions.

Investment Strategy Implementation

4. Support investment leads with an all-of-government approach.

Ministry Role:

- Support familiarization trips and senior level government meetings for investment decision makers.
- Maintain a comprehensive list of government programs/incentives/contacts available to investors.
- Establish cross-government working teams to support major investment projects.

Regionally:

- Inform MTCS of any new tourism developments.
- Work with MTCS to provide local information and contacts available to support new developments.

Investment Strategy Implementation

5. **Identify provincially owned assets as opportunities for private sector investors.**

Ministry Role:

- Explore alignment on the Ontario Place file and provide support as required.
- Identify key public properties through the Ministry of Infrastructure with potential for private sector tourism investment.
- Work with Tourism Agencies Branch to identify opportunities for public private partnerships.

Investment Strategy – MTCS Next Steps

- Invitations sent out to all individual RTO's requesting a meeting to discuss partnership opportunities.
- Meetings to date: RTO 12, Bracebridge – Parry Sound, RTO 5, Toronto – Mississauga, RTO 2, Niagara, RTO 1, RTO 13, RTO 9, RTO 11, RTO 7, OEEEDC, Chatham, Ajax, RTO 8, RTO 6, RTO 3, and Burlington.
- Continue to develop the investment value proposition and local opportunities to market to investors.
- Connect with Ontario's tourism sector associations such as GTHA, ORHMA, Attractions Ontario, Resorts of Ontario, OCTA, Retail Council of Ontario, EDCO, TIAO, Ontario Wine Council, Ontario Accommodation Association, Ontario Motor Coach Association, Ontario Chambers of Commerce, Ontario BIA Association.

The Importance of Investor Outreach

- International investors are looking for safe justifications for investment. Proactively reaching out and meeting investors / developers and site selectors supports the province's jobs and economy agenda.
- By attending tourism investment related conferences and events, MTCS will be better positioned to support municipalities seeking investors, Ontario-based tourism operators looking for partners, and the Regional Tourism Organizations promoting investment opportunities.
- No other provincial ministry tracks and targets real estate investment, and there is an increasing trend in international investors developing mixed-use real estate developments with significant tourism, culture and sport components.
- International event participation will build strong networks with and take advantage of the foreign investment work being done by federal government departments, the province's International Business Development Representatives and the International Marketing Centres managed by the Ministry of Economic Development and Innovation.
- The constant inflow of competitive intelligence on investor data and industry trends allows MTCS to effectively monitor the business side of the tourism industry in Ontario.

Investor outreach

MTCS issued two RFP's to develop lists of leading US and European tourism investors.

Benefits:

- Delivers a focussed and qualified list of potential U.S. and European investors which will support a proactive outreach campaign.
- Is a cost effective and widely used lead generation technique utilized by investment promotion organizations such as MEDTE.

MTCS resources and recent tourism investment success



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Regional Investment Opportunities

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Regional Investment Opportunities

To assist you in finding the right tourism investment opportunity, you can select a particular industry sector and discover where in Ontario, your investment opportunity awaits.

Select by Sector:

- Select All
- Aboriginal
- Amusement Parks
- Attractions
- Bed and Breakfasts
- Cottages
- Cruising and Marinas

Search

OR

Select by Region:

- Select All
- Central Ontario
- Eastern Ontario
- Niagara Region
- North-Central Region
- North-East Region
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▶ **Market Research Reports**

▶ **Tourism Quick Facts**

▶ **Travel Activities and Motivations Survey (TAMS)**

▶ **Regional Investment Opportunities**

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(3) Welland Canals Heritage Park

Project Date Begin:	Immediately	
Region:	Niagara Region	City of Welland
Type:	Attractions	
Description:	<p>A study indicates a total investment of \$118-130 million to include park system, residential and commercial development and a farmers' market.</p> <p>Approximately 1,600 acres south of the QEW / Garden City Skyway bridge. Site includes three locks which provide access for ships into the Niagara escarpment.</p> <p>Over 70% of North America's population lives within a 10 hour drive. 18.7 million people visited Niagara in 2002 and spent over \$1.5 billion.</p> <p>Over \$2.8 billion has been invested in luxury hotels, entertainment centres, shopping, gaming and live theatre.</p> <p>The Welland Canals Centre attracts over 400,000 visitors annually, and is home to the St. Catharine's Historical Museum and the Ontario Lacrosse Hall of Fame. For more information about Niagara investment opportunities, please contact Niagara Economic & Tourism Corporation at 1-800-263-2988 or www.niagaracanada.com</p>	

(4) Port Colborne Harbour

Project Date Begin:	Immediately	
Region:	Niagara Region	City of Port Colborne
Type:	Attractions	
Description:	<p>A study indicates a total investment of \$86-\$134 million.</p> <p>Development zone is approximately 1,250 acres of land at Lake Erie on both sides of the Welland Canal.</p> <p>Recent investment activity includes, Harbour Marina - \$8M, West Street promenade - 1st phase \$500,000, trail development - \$700,000, long term care facility - \$12M.</p> <p>This site is part of a 104 km circle route linking Port Colborne to other communities throughout Niagara via the Welland Canal.</p>	



ONTARIO EAST



TOURISM OPPORTUNITIES 2012



Where tourism investment opportunities come *naturally*


ONTARIO EAST
ECONOMIC DEVELOPMENT

OPPORTUNITIES

Brockville Crossroads Properties Inc. Hotel Lands

Sale of Lands for development of hotel.

Location: Located near the major intersection of Highway 401 and Stewart Boulevard.

Total land area of 1.587 acres planned to accommodate at 5 storey, 92 suite Hampton Inn & Suites hotel.

Key Contact: Toby Singlehurst, President, Jennum Properties Inc., 460 Brant Street, Suite 315, Burlington, Ontario L7R 4B6, (289) 430-5027 x 315



Asking Price: \$1.5 million Cdn.

Waterfront Hotel and/or Condo Development Complex

Seeking investment partner as major stakeholder for a unique waterfront hotel and/or residential complex encompassing commercial roof accommodation and condo units.

A major \$ 20 million tourism attraction known as the Maritime Discovery Centre in close proximity and opening in June 2013.

Contact: Dave Paul, Director of Economic Development City of Brockville 613-342-8772 dpaul@brockville.com

Estimate investment in the \$30 to \$40 million range



Welcome to Brockville

Brockville is famous for location, picturesque beauty and base of many multinational firms. The community is a World Health Organization Designated Safe Community and is within an enviable United Nations Biosphere Reserve. Brockville is also a transportation hub on super Highway 401, being centrally located in the Montreal Toronto economic corridor, an hour from the Nation's Capital region. The community is also accessible and connected by two

international bridges minutes away and with both CNR and CPR Rail services including VIA passenger service. Brockville is also a heritage community being Ontario's oldest incorporated municipality offering the charm and ambiance of resort living and a quality lifestyle. The loyalty and availability of the skilled workforce and the creative talent of its people, offer a significant competitive advantage for \$ business investment.



OPPORTUNITIES

Hastings County

Excellent development opportunity! Situated in the Town of Bancroft we have 12.75 acres of commercially zoned land available. It is zoned for large format commercial such as a mall, plaza or other large commercial uses. Full municipal services are available.

For further information, please contact the listing office: Coldwell Banker Ekort Realty Ltd. Brokerage – Libby Clarke, Sales person libby-clarke@coldwellbanker.ca

182 acres of land on popular lake! The Municipality of Hastings Highlands, in northern Hastings County near Bancroft, owns 182 acres of land on

both sides of the river coming out of the popular Baptiste Lake. The local municipal office in Hastings Highlands claims this could be suitable for a hotel or resort taking advantage of the scenic surroundings and outdoor adventure opportunities.

Contact: Andrew Redden
Economic Development Manager
1.866.321.9563 ext. 4011

<http://ontarioeast.ca/content/investment-tourism>
ReddenA@hastingscounty.com

Welcome to Hastings County

With 5,964.5 square kilometres at our disposal, Hastings County is the second largest County in Ontario. Nature has filled all those square kilometres with some of the most spectacular treasures imaginable - from the beautiful Bay of Quinte in the south to Algonquin Park in the north, and hundreds of lakes, rivers, wetlands, farmlands and forests in between. Hidden among our natural amenities are some truly surprising attractions

and unexpected experiences, including Bancroft (the Mineral Capital of Canada), a recreational trail system stretching over 280 kilometres, cheese factories, an Arts Route, live theatre and more. If you can find a highway, you'll have no trouble finding us. We're halfway between Toronto and Ottawa and within easy reach of Canada's largest tollfree Highway #401. Population (2006): 130,47



Community Tourism

Community Tourism – A complete approach by LWLP.

- MTCS hired LiveWorkLearnPlay to present a session at the Ontario Tourism Summit last fall in London.
- Part of their presentation titled “The rebirth of neighbourhoods to create vibrant destinations” looked at ways Ontario’s communities can identify its tourism assets and leverage them to conceptualize new product development – attract new investment.

Asset Mapping – Things to consider

1. What do you consider to be your top five tourism attractors from a visitation perspective?
2. What do you consider to be your greatest undeveloped assets from a tourism perspective?
3. If an investor were to come to your community to build a tourism development or attraction, what would be the top five new projects that you would like to see completed in the next 3 - 5 years?

What are the opportunities for Ontario?

Outdoor Experiences

Trails

Touring infrastructure

Agritourism

Waterway adventures

Golf vacations

Cycle tourism

All season hovercraft adventures

Motorcycle touring routes

Waterfront redevelopment

Destinations

Indoor sports complex

Aboriginal tourism

Gated attractions

NASCAR Raceway

Multiuse attractions

Culinary Tourism

Waterfront resorts

Biosphere

Casino

Water park

Luxury waterfront amenities

Revitalize train travel

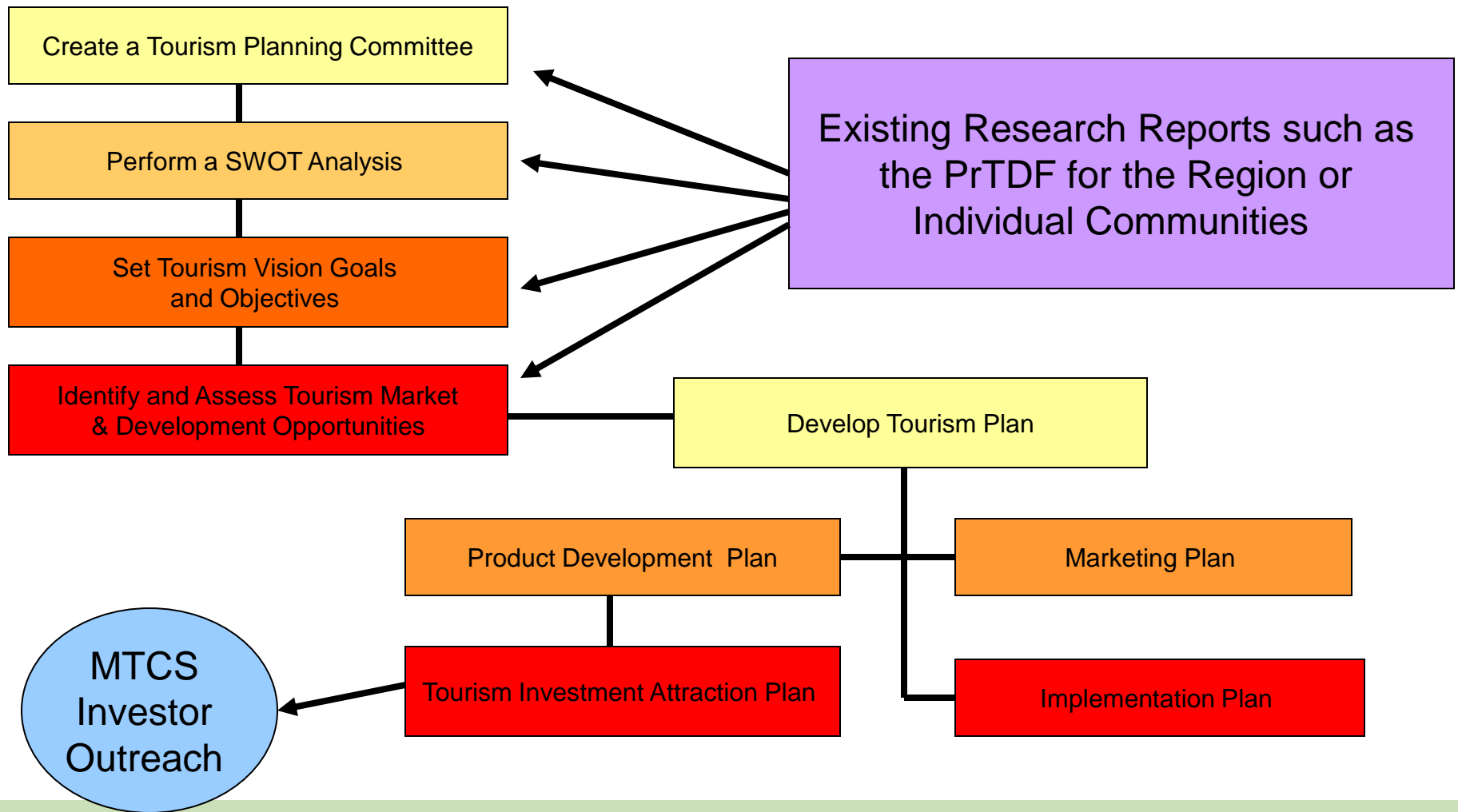
MTCS has case studies on the following investment opportunities.

- Transient Accommodation
- Meeting/Conference Facilities
- Downtown Full Service Hotel
- Attractions
- Resort Development

If you wish to know more, please ask!

Where to Begin?

Tourism Planning Process



Different Approaches to Tourism Investment Taken by Communities

Proactive Approach

Municipalities identify tourism investment opportunities

Undertake assessment of opportunities

Retains 3rd party advisors to prepare Feasibility studies, needs assessments, and business plans

Actively seeks investment/investors

Municipality may provide incentives or partnerships to attract tourism investment

Reactive Approach

Promoter / investor brings Opportunity to municipality

Access the opportunity in terms of conformity with official plans, zoning, tourism plans etc.

Provides information on demographics, available sites, visitation statistics, visitor profiles, etc.

Or a combination of both approaches

Investment Opportunities Template

- Description of Investment Opportunity
- Location: (address and important attributes of suggested site)
- Community Profile: (brief outline of socio-demographic profile and trends, top economic generators, and transportation infrastructure)
- Tourism Profile and Outlook: (brief description of profile with current and forecasted numbers)
- Target Market(s):
- Market Analysis: (indicate current supply and demand)
- Competition (indicate main competitors)
- Partners: (list important supportive organizations, potential investors and partners)
- Constraints: (list the major community support constraints and site constraints)
- Financial Feasibility: (provide estimated total costs, revenues, expenses, and net earnings)
- Estimated Investment Amount (indicate total capital investment)
- Public Support: Endorsement in Official Plan, Political Champions
- Key Contact: (name, telephone, email, fax, website, etc.)

Tourism Investment Opportunities Templates

Tourism Investment Opportunities Template
For Municipal Economic Development Opportunities

Title of the Project:
Description of Investment Opportunity including Zoning Allowances:
Location:
Available Land or Building Size:
Community Profile:
Tourism Profile and Outlook:
Market Analysis:
Partners:
Competition:
Local Government Subsidies and Advice:
Financial Feasibility:
Key Contact:
Notes:

Tourism Investment Opportunities Template
For Tourism Related Resale Opportunities

Name of the Business:
Description of the Business:
Location:
Available Land or Building Size:
Community Profile:
Tourism Profile and Outlook:
Market Analysis:
Asking Price and Terms of Sale:
List of Assets / Chattels:
Local Government Subsidies (if applicable):
Key Contact:
Notes:

Create a Tourism Lands Inventory

Your organization can create an inventory of tourism development land sites throughout your region.

This inventory of certified tourism investment ready land will be endorsed by your municipality.

The goals are to:

- 1) Identify premium development sites that meet minimum requirements for investment readiness**
- 2) Create a land inventory matrix with key contact information for properties**
- 3) Make recommendations for use of the land inventory information for future activities of the Municipalities, Region, RTO the Government of Ontario and other agencies.**

What is a certified Tourism Land Site?

Tourism Sites

A tourism development site is one that has no normal encumbrances to development. Such sites could have the following minimum characteristics:

- **Be serviced with electricity, water and sewer**
- **Serviced with high speed telecommunications**
- **No significant environmental issues**
- **Designated in the municipality's Official Plan and Zoning By-law as Commercial (attractions, accommodations, restaurants), Open (parks, marinas), Holding (subject to additional studies) or Transitional Zones (subject to future use).**

Next steps – What MTCS can do for you

- Provide investment ready workshops specific to your investment attraction business cases.
- Assist to create a premium “market-ready” tourism related real estate inventory
- Work with you on Tourism B.R. & E. *What is the succession plan for your major tourism operators?*
- Be your conduit to the investment community for existing RFPs or EOIs on tourism related development projects
- Collaborate on a asset study – What’s working, and what can be improved?
- Provide information on the Tourism Development Fund that supports projects which result in investment attraction, product and experience development and industry capacity building
- Add your investment cases to our Ontario Tourism Investment Opportunities Report

**This presentation was provided to
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Ministry of Tourism, Culture and Sport.**

Thank you.

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