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**NORTHERN
ONTARIO**

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NORTHERN ONTARIO

Investment Attraction Strategy

Ontario 



NORTHERN ONTARIO

Investment Attraction Strategy

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Prepared by Destination Northern Ontario

Vision

Northern Ontario will be a unique and distinctive tourism destination wherein high quality products and experiences resonate with consumers, entrepreneurship is valued, and tourism provides local, regional and global connections for the entire region.

Mission Statement

Destination Northern Ontario will take a leadership role to strategically guide and champion growth in northern Ontario's tourism industry through strong communication, collaboration, and partnerships within the industry.

Values

Destination Northern Ontario's Board of Directors is committed to focusing on the vision in an "innovative, results-based, effective and fiscally-responsible manner, with a foundation of strong governance and management leadership." Destination Northern Ontario's Board also recognizes the following values as important aspects of the strategic plan:

- **Accountability**
- **Leadership**
- **Collaboration**
- **Integrity**
- **Transparency**
- **Innovation**
- **Teamwork**

Goals for Northern Ontario Tourism Sector

- Innovation and entrepreneurship are supported by research/educational tools
- Critical mass of high-quality products/ experiences are brought to market
- Realistic/sustainable tourism development (i.e., product-market match) is underway
- Streamlined services for operators are available

Destination Northern Ontario's Roles in achieving Sector Goals

- Leadership
- Communication
- Strategy
- Relationship-building
- Champion for industry growth (bringing the operator perspective to government)
- Professionalism (setting a standard of high quality for the industry)

Destination Northern Ontario Priority Streams

Destination Northern Ontario has made research a priority and, through its research, has focused its efforts by defining evidence-based strategic priorities. This strategic approach has led Destination Northern Ontario to focus on creating tourism experiences that resonate with visitors through three streams of shifts - Defend and Maintain; Inspire and Grow; and Rise and Shine.

01 Defend & Maintain Shift

This stream ensures that Destination Northern Ontario will continue to focus on existing tourism products and experiences in which northern Ontario's tourism industry excels.

Angling

Hunting

02 Inspire & Grow Shift

This stream reflects the development of new experiences or the enhancement of existing experience where the region currently under performs or there is an opportunity to grow tourism.

Culture & Heritage

- i. Attractions
- ii. Festivals and Events
- iii. Meetings, Incentive and Sports
- iv. Wayfinding

Gateway & Destination Communities

- i. Culinary
- ii. Francophone
- iii. Group of Seven
- iv. Indigenous
- v. LGBT+

Nature & Adventure

- i. Paddling
- ii. Parks
- iii. Trails

Touring

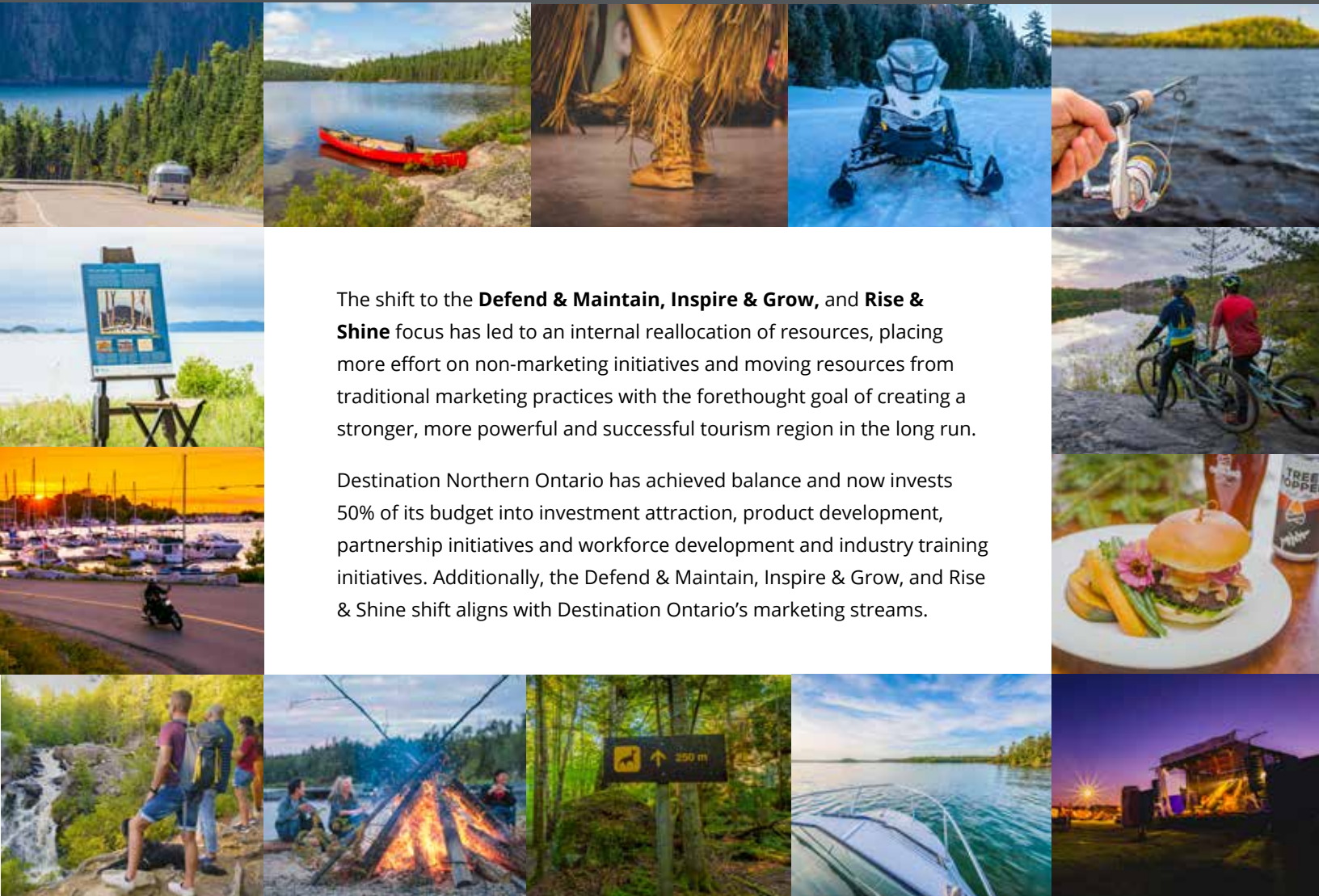
- i. ATV
- ii. Auto and RV
- iii. Boating
- iv. Cycling
- v. Motorcycle
- vi. Snowmobile

Overseas Markets

Products for these markets are included in the above categories. Not all are a fit.

03 Rise & Shine Shift

This stream focuses on creating and fostering a culture of excellence, ensuring that all northern Ontario's tourism products and experiences are best in class in every aspect. This means aiming to not only meet visitors' expectations but also exceed them in both customer service and overall experience. Working with northern Ontario industry operators, DNO will provide the tools that are required to ensure that this goal is achieved.



The shift to the **Defend & Maintain, Inspire & Grow**, and **Rise & Shine** focus has led to an internal reallocation of resources, placing more effort on non-marketing initiatives and moving resources from traditional marketing practices with the forethought goal of creating a stronger, more powerful and successful tourism region in the long run.

Destination Northern Ontario has achieved balance and now invests 50% of its budget into investment attraction, product development, partnership initiatives and workforce development and industry training initiatives. Additionally, the Defend & Maintain, Inspire & Grow, and Rise & Shine shift aligns with Destination Ontario's marketing streams.

Investment Attraction Strategy



Objective

Destination Northern Ontario's investment attraction activities align with the Ministry of Heritage, Sport, Tourism and Culture Industries objective to:

To increase investment in the tourism industry to enhance visitor experience

Destination Northern Ontario will take a facilitative role in investment attraction across the region to support the activities of urban and rural economic development corporations and departments, business development organizations, FedNor, Northern Ontario Heritage Fund Corporation, and relative provincial ministries such as:

- Ministry of Energy
- Ministry of Environment, Conservation and Parks;
- Ministry of Northern Development, Mines, Natural Resources and Forestry;
- Ministry of Agriculture, Food and Rural Affairs;
- Ministry of Economic Development, Job Creation and Trade; and,
- Ministry of Heritage, Sport, Tourism and Culture Industries.

To further support its efforts in increasing investment within the tourism industry, Destination Northern Ontario has identified the following as key strategic action areas related to investment attraction:

01

Enhance Destination Northern Ontario's role as a resource centre for northern Ontario businesses, prospects and investors.

02

Collaborate and share industry knowledge related to investment attraction opportunities to ensure they meet trends, fills gaps and complement visitor expectations.

03

Play an active role in investment attraction and economic development activities within the northern Ontario tourism sector.

Destination Northern Ontario will support the Investment Attraction pillar through the implementation of the Investment Attraction Strategy inclusive of the following action items:

- **Foster connections** with economic development agencies across northern Ontario, Ontario and Canada;
- **Leverage partnership program funds** available through the Ministry of Heritage, Sport, Tourism, and Culture Industries;
- **Work with federal and provincial ministries** to increase capital investment programs for northern Ontario tourism businesses;
- **Strengthen awareness and perception** about tourism as an economic driver;
- **Communicate and share timely and relevant information** with industry through a well-maintained resource centre;
- **Identify current assets and gaps** within the tourism landscape to determine current and future investment opportunities that align with visitor needs;
- **Collaborate with partners** to develop and share tourism-related investment tools;
- **Encourage and offer guidance** to industry and tourism organizations about available funding applications for new projects, enhancements and upgrades;
- **Provide mentoring and training opportunities** related to COVID-19 recovery, business development, and succession planning to operators; and
- **Collect and track key performance metrics** to measure the implementation of investment attraction efforts and guide the development of future initiatives to support growth.

Investment Attraction Situational Analysis & Research Findings

OVERVIEW

Investment attraction for tourism refers to attraction of both private and public investment. Private investment is important to the overall tourism growth in the community, but success also depends on strong public sector commitment to the development of infrastructure to further enhance the visitor experience.

Investment can take place in a number of forms such as foreign direct investment, mergers and acquisitions, business retention and expansion and new domestic investment. Foreign direct investment and domestic investment focus on the development of new products and experiences to complement the existing tourism landscape, either from an investor outside of Ontario or interprovincially. Business retention and expansion efforts focus on building upon existing assets within the tourism landscape to create new partnerships, diversify offerings, expand operations and purchase/sell an existing operation.

Investment attraction is extremely competitive, and the approach to investment attraction has become increasingly sophisticated. Often with the support of provincial and federal levels of government, communities are gaining a better understanding of their competitive advantages and disadvantages, which markets hold their best opportunities, and are becoming more prepared to respond to investment inquiries.

Historically, investment attraction specific to tourism has not received much attention. Communities and regions have generally directed their attention to developing visitor markets and have not focused resources on developing formalized investment attraction strategies to support the tourism sector. A gap exists in the marketplace where Destination Northern Ontario has the opportunity to work with partners to develop a framework to help the region implement tourism investment and business retention initiatives. Economic development strategies such as the Business Retention + Expansion (BR+E) program and investment attraction tools can be modified from other sectors and applied to tourism. By updating existing investment attraction resources with new relevant data, industry gaps and investment opportunities, Destination Northern Ontario can further support economic development initiatives and guide the process of attracting and expanding tourism businesses, investment and development.

It is important to recognize the benefits of a regional approach to business investment attraction when implementing the Investment Attraction Strategy. Northern Ontario has made significant strides in advocating on behalf of the industry, but it needs to continue to voice the advantages and opportunities of investing in tourism in the region. A regional approach to investment attraction is considered fundamental to advancing the objective of promoting investment opportunities, product and experience diversification, employment growth, and mitigating the tourism gaps that exist across the region.

As a number of organizations are mandated to deliver programs and services related to investment attraction, DNO should consider supporting existing efforts by ensuring tourism remains at the forefront. As such, recommendations are focused on positioning Destination Northern Ontario to serve as a facilitator and voice for northern Ontario for this pillar while working towards leveraging partnerships to ensure that the north is well positioned to take advantage of all potential investment attraction opportunities.

The Ministry of Heritage, Sport, Tourism and Culture Industries (formerly known as Ministry of Tourism, Culture and Sport) developed an *Ontario's Tourism Investment Strategy and Implementation Plan in 2011*. Four key priority areas were included:

- 01 **Establish** tourism as a priority sector in Ontario's investment attraction approach;
- 02 **Create** a focused value proposition for investors which identify the unique advantages of Ontario as a tourism investment location for all four types of investment;
- 03 **Develop** investor outreach activities to promote Ontario's value; and
- 04 **Identify** provincially owned assets as opportunities for investment.

The key priority areas listed above ensure alignment with Ministry goals. The need for education, identification of value proposition and investment opportunities while working with partners to market these opportunities were also evident during the stakeholder consultation process.

Current National & Provincial Context



CANADA

According to Destination Canada, tourism contributed **\$43.7 billion** to the Canadian Gross Domestic Product (GDP) in 2019, representing **2.03% of total GDP**. There were 232,000 tourist establishments, and the sector employs **1 in 10 individuals**. Despite the significant economic impact tourism has on the economy, it is often overlooked as a viable and sustainable sector for investment.

Canada has created a powerful brand and is ranked one of the top tourist destinations. The country offers a variety of products and experiences available in both urban and rural markets that appeal to domestic and international visitors. According to *Creating Middle Class Jobs: A Federal Tourism Growth Strategy*, the world is paying attention to Canada and visitors are coming in larger numbers than ever before and from a wide range of countries. Tourism keeps rising with international visitation reaching **21 million arrivals** in 2018.

Even with industry successes, Canada is seen to be falling behind other countries in capitalizing on the growing visitor market and ensuring that the products and experiences available resonate with visitor trends. *The Creating Middle Class Jobs: A Federal Tourism Growth Strategy* outlines a number of approaches that the federal government will take to address structural barriers and help facilitate investment within the sector:

- 01 Stimulate and diversify** Canada's tourism products and experiences;
- 02 Adopt** a collaborative public-private sector model for tourism investment; and
- 03 Raise the profile and sustainable performance** of Canada's tourism sector as a key economic driver through federal leadership.

These strategies align with challenges identified within the Unlocking the Potential of Canada's Visitor Economy completed in 2018 by Destination Canada. These barriers need to be addressed in order for the potential growth of **\$25 billion** in tourism export to be realized. The five challenges identified in the Destination Canada report include:



Demand

Three out of four international visitors only travel to Canada's largest provinces and their largest urban centres. A need to promote and grow regional and rural travel is required.



Access

The need for better transportation routes via air, road and train as well as upgrades to available amenities is required to move people safely throughout the country.



Labour and Skills Shortage

Tourism is not always seen as a career choice; therefore, a number of jobs remain vacant and labour shortages are becoming more prevalent within the industry.



Availability of Domestic and International Investment

A need for capital investment is required to support local governments and businesses, especially within accommodations and convention spaces.



Fragmented Sector

The need for greater collaboration and coordination is required amongst local, regional, provincial and federal agencies to ensure strong leadership is provided within the sector.

In moving forward, the federal government has recognized that tourism is a vital contributor to the country's prosperity and has developed **36 initiatives** to empower communities to develop unique experiences and products, establish Tourism Investment Groups to encourage public funding and to attract private capital for destination development; along with creating an Economic Strategy Table for Tourism to bring together industry and government leaders together to foster growth within the sector.

A list of the 36 initiatives can be found at <https://www.ic.gc.ca/eic/site/134.nsf/eng/00003.html#s72>.



ONTARIO & NORTHERN ONTARIO

Tourism is an economic generator within Ontario, and according to the Ministry of Heritage, Sport, Tourism and Culture Industries the industry **generated \$35.5 billion in 2018**, which represents **4.3% of provincial GDP**. Tourism continues to employ a large number of individuals in the province. An estimated **5.3%** of total employment in Ontario in 2018 was in the tourism sector, representing approximately **393,000** jobs. Unlike other sectors, tourism can be found within urban and rural communities through a variety of products, experiences and services that cater to visitor markets.

As outlined in the 2020-2021 Business Plan for Destination Northern Ontario, tourism is a vital economic sector in the north with one in five businesses related to tourism. In 2018, a total of **\$1.6 billion** in tourism receipts were generated from **9.2 million visits**. Additionally, the demand for accommodations within the region **increased by 31%** from 2012 to 2017. This aligns with the challenges related to access to accommodations identified in *Unlocking the Potential of Canada's Visitor Economy Strategy*.

A recommendation put forth in the Ontario Chamber of Commerce, Closing the Tourism Gap Report completed in 2016 is to improve the tourism business environment. The research identified that tourism operators are facing a number of obstacles included limited access to capital, high operational costs, restrictive industry regulations and labour shortages which in turn has limited the ability to achieve growth, expansion and diversification of products and experiences to meet visitor demands.

To create a positive business environment that fosters business growth and expansion, succession planning and investment attraction, these challenges need to be rectified. Efforts across Ontario, including work being undertaken by Destination Northern Ontario and its partners, continue to address and minimize these challenges faced by the industry. This is critical in order to create a conducive environment for attracting domestic and foreign investment opportunities to northern Ontario.

9.2
MILLION
VISITS



\$1.6
BILLION
TOURISM
RECEIPTS

The *Ontario's Tourism Investment Attraction and Implementation Plan* developed in 2011 further supports the need for investment attraction efforts and identified the following five factors that have a direct impact on tourism investment attraction in Ontario:

- 01 Marketing and lead generation
- 02 Financial and tax incentives
- 03 High level political support
- 04 Account management approach
- 05 Availability of identified project

With a number of organizations operating within the investment attraction ecosystem, and the emphasized need for tourism to be included in national and provincial investment attraction efforts, it is critical that Destination Northern Ontario collaborate with partners to develop industry research, programs, supports and tools to facilitate investment attraction, business retention and succession planning efforts. As such this strategy includes a work plan and seven steps that align with the strategic goals, objectives and actions set forth in the federal and provincial strategies. The overall focus is to capitalize on the growing tourism industry through fostering a positive business climate to continue to stimulate tourism growth and destination development.



Stakeholder Consultation Feedback

Destination Northern Ontario has undertaken a great deal of work to identify and develop strategies and approaches that support investment attraction.

To gain a deeper understanding into the industry landscape, feedback and insight on the investment attraction strategy and the organization's role within tourism investment attraction was collected. The engagement process included an online survey and one-on-one interviews with key stakeholders. The process also provided a platform to educate stakeholders on the importance of tourism as an economic driver and encourage partnerships for future implementation efforts.

The engagement phase played an important role in gaining feedback about DNO's primary role within investment attraction, identifying challenges and barriers to investment attraction and outlining opportunities, partnerships, resources and tools to facilitate investment attraction within the tourism sector across northern Ontario. Due to the current global pandemic, emphasis was also placed on supports required to assist with business retention efforts due to the longevity and significant impacts the pandemic has had and will continue to have on the tourism industry.

An online survey was conducted using Survey Monkey which was distributed to Destination Northern Ontario's Board of Directors, senior staff and key stakeholders within the economic development ecosystem. A total of 10 respondents completed the survey.

Additionally, one-on-one telephone interviews were conducted to gain a deeper understanding of the current investment attraction landscape. A total of 10 stakeholders were interviewed that included representation from the Destination Northern Ontario Board of Directors, senior staff, Ministry of Heritage, Sport, Tourism and Culture Industries, Ministry of Energy, Ministry of Northern Development, Mines, Natural Resources and Forestry, and economic development departments.

The following provides a summary of highlights gathered from the engagement process which has guided the development of the investment attraction priority areas and actions.

The majority of stakeholders indicated that Destination Northern Ontario's primary role within investment attraction is to act as a facilitator and resource to federal, provincial, and local organizations, economic development organizations, existing operators and potential investors. This includes:

- **Being the voice** for northern Ontario and its tourism industry while having the ability to deliver services on a pan-northern approach when necessary.
- **Establishing a coordinating approach** to investment attraction across the north while aligning it with Ontario's and Canada's strategic direction for investment attraction.
- **Providing ongoing support** to economic development departments, organizations, communities, business development agencies, Small Business Enterprise Centres (SBECs), Community Futures Development Corporations (CFDCs) and Chambers of Commerce to facilitate investment attraction within the tourism industry.
- **Continuing to conduct industry research** and analysis to identify upcoming industry trends, product/ experience gaps, investment attraction opportunities and consumer market trends that can be shared with partners to assist with investment attraction efforts.
- **Working with partners** to determine the value proposition and best bet investment opportunities for northern Ontario while sourcing potential investors.

Stakeholders specified the importance of educating economic development focused organizations, communities, local, provincial and federal government ministries on the importance of the tourism sector and the significant economic benefits it brings to northern Ontario. This includes:

- **Showcasing tourism** as an economic driver through consultations and presentations at economic development-related seminars, events and conferences.
- **Ongoing consultation** with local, provincial and federal ministries and banking institutions on the importance of funding programs that support capital expenditures within the tourism sector.
- **Creating a regional, strong, and diverse network** of economic development, business development and investment attraction professionals to assist with investment attractions efforts in the tourism industry.

Stakeholders also identified a number of resources, tools and supports that could be established to further assist within investment attraction and business retention efforts such as:

- **Undertaking an in-depth Asset Inventory and Gap Analysis Study** across northern Ontario to identify investment opportunities, product/ experience life cycles and best bet opportunities that can be further explored and marketed in collaboration with partners.
- **Identifying** a number of best-bet investment opportunities and conducting pre-feasibility work to assist in showcasing 'investment-ready' opportunities to potential investors.
- **Reviewing and enhancing** Destination Northern Ontario's current online resource centre to ensure the information is relevant, accurate and easy to use for industry partners, operators and investors.
- **Enhancing workforce development and industry training supports** to include a focus on investment attraction, business development and succession planning through self-assessments, Fast Track to Success program, mentorship, and online webinars.
- **Establishing programs** through Destination Northern Ontario's Partnership Program to focus on COVID-19 recovery planning, succession planning, community development planning and feasibility/ business development planning for new investment opportunities.
- **Assisting partners** with funding applications while providing industry knowledge and insight to further support projects that align with best bet markets.
- **Collaborating** with partners to host investment attraction FAM tours to showcase investment opportunities, industry successes and northern Ontario landscape.



A number of partnership opportunities to further support Destination Northern Ontario in its investment attraction efforts were identified through the consultations. Some of the organizations identified include:

- **Establishing relationships** within the northern Ontario economic development network including urban and rural economic development departments/corporations, SBECs, CFDCs, banks, credit unions, the Business Development Bank of Canada and Chambers of Commerce.
- **Building upon existing relationships** with Destination Ontario, Ministry of Heritage, Sport, Tourism and Culture Industries, Ministry of Energy, Ministry of Northern Development, Mines, Natural Resources and Forestry (including Trade, Marketing and Investment Branch), Northern Ontario Heritage Fund, Ministry of Agriculture, Food and Rural Affairs, FedNor, and Nature and Outdoor Tourism Ontario (NOTO) to further support investment attraction, business retention and succession planning efforts.
- **Collaborating** with the Ministry of Environment, Conservation and Parks, Ministry of Energy, Ministry of Northern Development, Mines, Natural Resources and Forestry, and Ministry of Transportation to promote tourism infrastructure gaps, align efforts and collaborate to facilitate investment within connectivity infrastructure and assist in reducing red tape.
- **Working with** private-sector partners, industry specialists, economic development and investment attraction consultants and advisors to assist in identifying investment opportunities, developing investment packages, and sourcing potential investors.





SWOT Analysis

The following highlights identified strengths, weaknesses, opportunities and threats collected during the consultation phase related to Destination Northern Ontario implementing investment attraction efforts across the north.

Strengths

- › Brand credibility
- › Strong leadership through Executive Director
- › Staff capacity and industry knowledge
- › Dedicated and diverse representation on the Board of Directors
- › Organizational awareness throughout local, regional and provincial markets
- › Strong communication with industry operators
- › Focus on partnerships and collaboration
- › Respected voice for northern Ontario tourism industry
- › Ability to operate within the four pillar areas and continue to build capacity within each pillar
- › Seen as an industry leader
- › Source of accurate, timely and relevant industry research
- › Flexibility to pivot and adapt as needed
- › Implementation of product development and alignments with industry needs
- › Government funding for business development in northern Ontario
- › Lots of existing product to build on/invest in
- › Less competition compared to other areas
- › Increased tourism traffic due to global pandemic



Weaknesses

- › Industry recovery from COVID-19 pandemic
- › Financial capacity of Destination Northern Ontario to deliver on all four pillars
- › Ability for regions to pivot to new visitor market trends
- › Lack of willingness of industry to package for international tour operators
- › Lack of promotion of northern Ontario to potential investors
- › Lack of awareness among economic development officers regarding tourism
- › Tourism is often not considered a priority at the municipal level
- › Lack of awareness about tourism within provincial and community economic development organizations
- › Regional competitiveness across northern Ontario for investment opportunities
- › Limited succession planning within industry
- › Access to capital is a significant barrier to new investment and business expansion
- › There is a lack of business development tools focused on the unique needs of the tourism sector
- › Lack of broadband infrastructure could deter investors
- › Limited transportation infrastructure (air, roads, rail) to assist in promoting ease of travel across northern Ontario
- › Lack of available service amenities along travel routes (specifically far north)
- › Large amount of crown land which is highly regulated and can be confusing to investors



Opportunities

- › Northern Ontario is poised for growth with increase travel from domestic markets
- › Opportunity to develop partnerships with investment attraction and economic development focused organizations
- › Educate organizations and communities about the importance of tourism as an economic driver
- › Showcase the north as an opportunity for investment through collaboration with partners
- › Asset mapping and Gap Analysis to determine investment-ready opportunities
- › Develop program supports in-house to facilitate investment attraction and business retention efforts
- › Foster partnerships with MTO, MNMNR and MOEE to further enhance connectivity infrastructure
- › Identify and market infrastructure gaps along highway corridors to create investment interest (i.e. rest stops)
- › Advocate on behalf of the industry for access to regional, provincial and federal capital funding
- › Succession planning for industry operators
- › Job creation and retention within industry
- › Follow-on investment and expansions
- › New domestic investment
- › Foreign direct investment
- › Great lakes cruising
- › New Canadian investors seeking opportunities
- › Rise of francophone and Indigenous cultural tourism
- › Four seasons provide for alternative investment opportunities and markets
- › Further enhance online resource center to provide relevant and accurate tools and supports to facilitate tourism investment attraction



Threats

- › Global pandemic
- › National and provincial economy
- › Border closures
- › Competition
- › Long term limitations in accessing capital
- › Government cutbacks
- › Tourism lacks prioritization as a valid economic development driver
- › Legislation and regulations
- › Government focus on larger centres
- › Shrinking labour market and ageing population



Investment Attraction Work Plan

Creating a unified approach to investment attraction efforts will enable northern Ontario to have a strong and cohesive approach to investment attraction, business retention and succession planning efforts.

As the tourism industry recovers from the global pandemic, the Board of Directors have identified investment attraction as a priority area to assist with the recovery and growth of the industry over the coming years. Supported by research which has been conducted and to build upon areas that have been completed to support investment attraction, the following demonstrates how investment attraction fits within Destination Northern Ontario:

- **Investment Attraction** is one of the five pillars outlined in *Destination Northern Ontario's Five-Year Strategic Plan 2020-2025* that is expected to grow visitor spending in northern Ontario in line with the 2017 MTCS Regional Tourism Organization Guide.
- As described within the *Ontario's Tourism Investment Strategy and Implementation Plan*, **Ontario's goal was to double its tourism receipts by 2020 to \$44 billion**. This needs to be completed through increasing existing tourism businesses profitability and productivity and by placing a significant emphasis on investment and investment attraction in tourism across the province.
- **The need for education** on the importance of tourism as an economic driver in Ontario and the significant benefits relating to GDP and **job creation needs to be emphasized** through ongoing communications with all stakeholders and complemented by research and industry trends. This was also noted in the *Ontario's Tourism Investment Strategy and Implementation Plan*.
- The need for **Destination Northern Ontario to play a facilitative role within investment attraction** was identified within the *2015 Investment Attraction Strategy and Destination Development Plan*.
- **Creating a Three-Year Investment Attraction Strategy** for northern Ontario provides alignment and focus to all Destination Northern Ontario's pillar areas and ensures effective and efficient collaboration across all pillars.
- Investment Attraction is in alignment with Destination Northern Ontario's Product Development Strategy and Workforce Development and Industry Training Strategy **to provide supports, tools, resources and programming to build capacity** within tourism operators, growing tourism businesses and expanding the available product and experience offerings to match visitor needs. The focus will be to ensure that visitor experiences resonate through the three streams of shift including Defend & Maintain; Inspire & Grow; and Rise & Shine.

DELIVERABLES

The Three-Year Investment Attraction Strategy (2021-2024) was developed from an in-depth analysis of previous studies and reports, market research conducted through an online review of the industry as well as stakeholder consultations via one-on-one telephone interviews and an online survey.

Due to the competitive nature of investment attraction, it is important to recognize the benefits of a regional approach to business investment attraction. In light of the global pandemic, focus will also need to be provided on retention of existing businesses operating within the industry as well as facilitating new investment opportunities and succession planning.

As many local, provincial and federal organizations deliver programming and services related to investment attraction, business retention and expansion and succession planning, this expertise should be capitalized on. Recommendations have been developed that focus on positioning Destination Northern Ontario as a catalyst and facilitator of investment attraction through the development of strong partnerships within the investment attraction ecosystem as well as to ensure that tourism is seen as an economic generator within the north.

To ensure that Destination Northern Ontario meets its primary objective of increasing investment in the tourism industry to enhance the visitor experience, the following steps have been identified:

1. **Establish** a presence within the investment attraction and economic development ecosystem.
2. **Provide** COVID-19 recovery supports to existing businesses.
3. **Conduct** an asset inventory/Gap Analysis across northern Ontario.
4. **Collaborate** with partners to market investment-ready opportunities.
5. **Provide** investment attraction and economic development support to partners and operators.
6. **Enhance** existing resource centre to support investment attraction and economic development activities.
7. **Track** performance and measure success.

Seven Steps for Investment Attraction in Northern Ontario:



STEP 1:

Establish presence within the investment attraction and economic development ecosystem.

To ensure Destination Northern Ontario meets its primary objective of increasing investment within the tourism sector, it is critical that staff resources to be put in place. A Senior Coordinator position has been developed within the organization who will lead implementation efforts and work toward establishing and maintaining a presence within the investment attraction and economic development ecosystem.

As human resource capacity has been increased, this will enable Destination Northern Ontario to foster strong relationships with local, provincial and federal partners who can assist in providing tourism investment attraction supports to both operators and communities.

Destination Northern Ontario is known within the tourism industry for its focus on collaboration and alignment to foster strong mutually beneficial relationships that further strengthen the tourism industry. This is evident throughout the other pillars and will be a primary focus within the investment attraction pillar.

As a number of investment attraction supports have already been established across the north through various organizations, it is critical that DNO creates synergies with these organizations and promotes the existing programs and services that are in place to foster growth and development.

Additional support may need to be provided to rural areas as many of the communities have limited human resource and financial capacity to carry out investment attraction initiatives. Support in areas of funding application development, capacity building through internships and establishment of Municipal Accommodation Tax could be areas of interest.

The following actions will assist Destination Northern Ontario in establishing a presence within the investment attraction and economic development ecosystem while advocating the importance of tourism as a driver in northern Ontario.

- a. **Develop** working partnerships within the northern Ontario economic development network including economic development departments/organizations, Small Business Enterprise Centres, Community Futures Development Corporations, Workforce Planning Boards and Chambers of Commerce. Assist economic development professionals with public and private tourism-related projects where necessary.
- b. **Attend** investment attraction and economic development seminars, events and conferences held by organizations such as Economic Development Association of Canada (EDAC), Economic Development Council of Ontario (EDCO), Association of Municipalities Ontario (AMO), Ontario's North Economic Development Corporation (ONEDC) and The Federation of Northeastern Ontario Municipalities (FONOM).
- c. **Establish** an investment attraction working group to assist the Senior Coordinator with investment attraction initiatives and priorities while providing feedback and expertise to further support implementation efforts.
- d. **Collaborate** with partners to establish a network of private sector investors and industry specialists to help facilitate investment opportunities.
- e. **Host** semi-annual round table discussions with economic development professionals from across the north to explore opportunities, challenges, best practices and industry gaps in relation to investment attraction within the tourism industry. One of these sessions could take place at the Northern Ontario Tourism Summit to increase the participation of economic development professionals.
- f. **Provide** support and consultation to organizations who are developing or updating their economic development and strategic plans to ensure tourism is captured as an economic priority.
- g. **Provide** support to rural communities in relation to building human resource and financial capacity to assist with economic development and investment attraction efforts.
- h. **Continue** to foster strong working relationships with NOTO, TIAO and TIAC to ensure the northern Ontario tourism industry is represented at all levels of government.
- i. **Continue** to sit on Ministerial Committees as requested to ensure tourism is considered an important economic sector in Ontario.



STEP 2:

Provide COVID-19 recovery support to existing businesses.

As one of the hardest hit economic sectors, tourism has been significantly impacted by the global pandemic and will continue to experience challenges throughout the recovery phase. A key area of focus for Destination Northern Ontario and its partners will be to provide supports to existing operators, communities and visitors to safely participate within the tourism industry.

Not only has the global pandemic affected the availability of products and experiences within the tourism landscape, but it has also impacted the type of consumer segments travelling to the region, consumers travel motivators, desired method of travel and length of stay. The increase in the domestic traveller market has been witnessed by communities and operators throughout 2020 and will continue until international travel becomes safely encouraged again.

The change in market has resulted in additional supports required by existing operators to provide a safe experience following COVID-19 protocols as well as the need to diversify and pivot its traditional product and experience offerings. Support from Destination Northern Ontario and its partners is needed now more than ever to facilitate the re-opening, diversification and expansion of northern Ontario operators, communities and attractions to ensure the north can capitalize on the new market interest.

The following actions will assist Destination Northern Ontario in providing relevant, timely and required resources, supports and guidance to existing businesses that have been significantly impacted by the global pandemic.

- a. **Continue** to gather research in collaboration with the other Destination Northern Ontario pillars to gain a thorough understanding of the current and forecasted impact of COVID-19 on the tourism industry in northern Ontario.
- b. **Work** with partners to advocate on behalf of the tourism industry to ensure provincial and federal programming and funding is available, applicable and relevant to the tourism industry.
- c. **Assist** partners such as Destination Marketing Organizations to provide current information on resources and programming available to assist operators with opening safely while delivering a positive visitor-focused experience.
- d. **Establish** a partnership program focused on providing supports to existing operators who require advisory services to pivot and/or diversify offerings or to expand operations to meet new consumer demands. This could include business planning, market research, accounting, legal and marketing.



STEP 3: Conduct an Asset Inventory and Gap Analysis across northern Ontario.

As the tourism industry has not traditionally been a focus when looking at investment attraction for northern Ontario, the research, assets, and tools that exist for other sectors such as mining have yet to be developed for the tourism sector. The first step in this process is undertaking an in-depth Asset and Gap Analysis Study across the north to further identify available products and experiences, life cycle of current assets, industry gaps and investment-ready opportunities.

It is recommended that to avoid duplication of efforts, this could be done in tandem with other research being conducted across the product development and workforce development and industry training pillars. To capture the breadth of data required, it would be recommended that Destination Northern Ontario review an existing model such as the Business Retention + Expansion program established through the Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

After the analysis has been conducted across the north, Destination Northern Ontario will be able to develop an inventory of available products and experiences, anticipated life cycle for succession planning as well as investment opportunities. While several investment attraction tools and databases exist and are available to communities and organizations to populate and utilize, to date very little has been done in terms of promoting tourism-related opportunities in northern Ontario. While efforts to showcase industrial lands and buildings are quite prevalent, a strong opportunity still exists to identify and promote tourism assets to potential investors.

The following actions will assist Destination Northern Ontario in gaining a thorough understanding of its current asset base, product/experience life cycle and potential investment opportunities.

- a. **Collaborate** with regional partners to conduct an asset inventory of products and experiences in northern Ontario. This should include the anticipated lifespan of the operation to assist with succession planning efforts and identification of investment opportunities.
- b. **Conduct** an in-depth analysis of industry gaps as it relates to Destination Northern Ontario priority product segments across the north to identify investment opportunities. This assessment should be aligned with the research being undertaken within the product development, workforce development and industry training and marketing pillars to ensure organizational alignment and eliminate the duplication of efforts. It is recommended that Destination Northern Ontario utilizes the Business Retention + Expansion framework established by OMAFRA to facilitate the implementation process.
- c. **Establish** an inventory of tourism-related investment attraction opportunities which could be further explored by DNO, partners and/or potential investors.



STEP 4:

Collaborate with partners to market investment-ready opportunities.

Collaboration with partners across the north will assist in establishing a strong, cohesive image about where, what and who northern Ontario is. To capture the attention of potential investors, a clear and compelling case needs to be presented outlining the advantages of investing in the tourism industry within northern Ontario.

Historically, northern Ontario communities have been involved in competing with each other in the final stage of the process. Working together will allow for northern Ontario communities and organizations to access more investment opportunities than if they work in silos. To continue to grow and diversify the economy, partnerships must be established to foster collaboration in order to compete internationally to attract investment. The investment may be welcomed into local communities by presenting location options that provide the best fit based on strengths, competitive mix, labour force, land and more. This is why the asset inventory and Gap Analysis are critical steps to ensure that Destination Northern Ontario and its partners are equipped with relevant information on each region to facilitate and stimulate investment attraction efforts.

It was further expressed through stakeholder consultations that Destination Northern Ontario in partnership with relevant stakeholders could identify a number of best bet investment-ready projects and conduct further pre-feasibility work to provide a detailed package of opportunities to qualified investors. It is recommended that there be a mix of projects from across the north with representation across all sub-regions.

Destination Northern Ontario should work with its partners to develop a competitive advantage and value proposition which can be shared through marketing messaging and further enhanced through research, testimonials and identified investment-ready opportunities.

The following actions will assist Destination Northern Ontario in collaborating with complementary partners and stakeholders to market investment-ready opportunities to local, provincial, national and international investors.

- a. Utilize** the information gathered through the asset inventory and Gap Analysis process as a tool to showcase investment-ready opportunities to partners.
- b. Access** funding opportunities to further explore the feasibility of the investment-ready projects and develop a high-level market/business analysis for each project. This will assist in attracting qualified leads and position northern Ontario favourably within investment attraction.
- c. Work** with municipal partners, economic development professionals and investment attraction specialists to identify potential investors that fit the investment-ready criteria and complement northern Ontario.
- d. Collaborate** with investment attraction focused organizations and ministries such as Invest Ontario, ONEDC and the Trade, Investment & Marketing (TIM) Unit within the Ministry of Energy, Ministry of Northern Development, Mines, Natural Resources and Forestry to market available opportunities.
- e. Work** with partners to schedule and implement investment FAM tours to showcase northern Ontario products, experiences, opportunities and landscape to potential investors.



STEP 5:

Stimulate investment attraction, business retention and success planning by providing funding and programming supports to communities and operators.

To facilitate investment attraction across northern Ontario, Destination Northern Ontario is well positioned to act as a resource and industry knowledge hub for public and private partners. Building a suite of tools and programming to further complement the online resource centre will assist in expanding the current tourism asset base while developing new products and experiences to meet and exceed visitor needs.

Being equipped with relevant and accurate industry data will enable private and public partners to make smart investment decisions as well as showcase the number of opportunities prime for investment. Additionally, this information can be used to represent the importance of the industry and assist in communicating the need for access to capital. Access to capital to facilitate growth or new development within the tourism industry has always been a barrier experienced by operators, however, the global pandemic has compounded this challenge with it becoming increasingly difficult to access public or private funding support within the industry.

The current available capital assistance is inadequate, and many operators do not have the funds to contribute to capital projects such as facility upgrades or expansions. Although there are some limited dollars available through government programs, there is a lack of awareness among operators about how to access grants, funding and assistance from various agencies.

Also, current revenues often preclude operators' ability to secure financing and render them ineligible for available programs.

Destination Northern Ontario can play a vital role by educating public and private funding partners on the importance of tourism as an economic driver, the needs of the industry and consumer/industry trends which support the development of certain products and experiences. Operators require the access to capital to ensure that their product and experience offerings match and exceed visitor expectations. Additional support can be provided by Destination Northern Ontario by supporting funding applications through letters of support, and/or business advisory services to develop a business case to assist with accessing capital.

The following actions will assist Destination Northern Ontario in aligning its efforts within the product development and workforce development and industry training pillars to ensure required resources and supports are provided to facilitate investment attraction, business retention and succession planning in the north.

- a. **Share** relevant and up-to-date industry research with partners to assist in their investment attraction and economic development initiatives and planning as well as to operators and organizations looking to grow, diversify or sell.
- b. **Communicate** with local, provincial and federal partners on the importance of tourism and its ability to access capital funding to assist with product development and investment attraction efforts. Due to the nature of the industry, it can be difficult for tourism operators to access capital funding from provincial and federal agencies as well as traditional and non-traditional lending partners. Destination Northern Ontario should continue to work with its partners to communicate the significance of the tourism industry and the need for funding to support capital infrastructure upgrades as well as new investment.
- c. **Provide** funding application support to operators and communities who are looking to diversify and/or expand products and experiences. Focus will be placed on initiatives that align with the needs identified within the Gap Analysis. Through many years of working with funding agencies, Destination Northern Ontario has built credibility and trust with these organizations and can be looked upon for industry expertise when reviewing potential projects. Providing letters of support to accompany funding applications of best bet products and experiences will assist in further solidifying public and private applications.
- d. **Evaluate** opportunities to expand the existing Destination Northern Ontario partnership funding model to include investment attraction, product development and community development planning initiatives.
- e. **Collaborate** with the Senior Coordinator of Workforce Development and Industry Training to expand the current Fast Track to Success program to include a number of business and investment advisors who can assist and mentor operators with business planning, feasibility studies, funding application development, accounting support, legal advice and succession planning. The expansion of this program should include opportunities to build capacity within tourism operators to capitalize on the rise of group travel and international travel trade markets as well as adapting and attracting diverse consumer markets (international, LBGT+, new Canadians). This could include mentorship on accessibility, diversity training, packaging needs, itinerary packaging and group discounts.



STEP 6:

Enhance existing resource centre to support investment attraction and economic development activities.

To further support its public and private partners with investment attraction, business retention and succession planning efforts, Destination Northern Ontario can continue to build upon its existing resource centre to ensure a suite of tools, resources and programs are available for use.

A number of investment attraction tools are available through a variety of organizations across Ontario, however, sourcing relevant tools for the tourism industry can be overwhelming to private operators, communities and potential investors. Destination Northern Ontario can continue to be the central point of contact for all stakeholders involved in investment attraction, business retention and succession planning within the tourism industry.

Updating and enhancing available resources and tools through the current DNO website will assist in providing relevant and timely information on keys areas such as industry research, funding opportunities, regional contacts, industry regulations and best bet product areas. Most of this information currently exists, but may need to be sourced through partners and updated as required. Additionally, communicating the availability of these industry resources and tools to partners, operators and communities is critical to ensure they are utilized as much as possible and can be further enhanced as required.



The following actions will assist Destination Northern Ontario in providing relevant and timely information to businesses and investors seeking information in relation to the tourism industry and investment-ready opportunities.

- a. **Continue** to foster two-way communication between Destination Northern Ontario, industry partners, operators and investors through the establishment of a Senior Coordinator position. The Senior Coordinator can act as a conduit to assist partners in accessing relevant information, resources, tools and funding to assist in their investment journey.
- b. **Further develop** the online resource centre to ensure information is provided in a user-friendly format. Continue to collaborate with partners to gather and share information on the following areas:
 - Economic and business development resources and contacts per region
 - Available funding opportunities (regional, provincial and federal)
 - Relevant industry regulations including Ministry of Northern Development, Mines, Natural Resources and Forestry, and Ministry of Environment, Conservation and Parks
 - Work with the product development teams to promote resources that showcase best bet product areas in northern Ontario
 - Work with the Senior Coordinator of Marketing to share relevant consumer segment research for northern Ontario
- c. **Complete** an update on the existing Investment Attraction Toolkit to ensure the information is still relevant to industry.
- d. **Continue** to promote and increase awareness of available resources, tools and funding opportunities through industry newsletter, social media platforms, articles, blogs, podcasts, website, webinar series and Northern Ontario Tourism Summit.
- e. **Work** with the Senior Coordinators of Workforce Development and Industry Training and Product Development to create investment-readiness checklists for operators and communities. A self-assessment could be developed in relation to succession planning to assist operators with establishing their exit strategy.



STEP 7:

Track performance and measure success.

Destination Northern Ontario will develop key performance indicators to measure success of investment attraction and economic development initiatives on an annual basis. The Ministry of Heritage, Sport, Tourism and Culture Industries reporting requirements will be considered when developing the KPI framework. Emphasis will be placed on measuring successes and challenges through online tracking, surveys and interviews with operators, industry stakeholders and investment attraction/economic development partners.

The following key performance metrics could be considered when developing the KPI framework:

- **Number** of partnerships developed
- **Attendance** at economic development events, seminars and conferences
- **Increased number** of economic development professionals in northern Ontario tourism-related events, seminars and conferences
- **Development** of an Investment Attraction Working Group
- **Creation** of funding programs in-house focused on COVID-19 recovery, business planning/expansion and succession planning
- **Amount** of funding leveraged with private and public partners
- **Creation** of a northern Ontario Asset Inventory and Gap Analysis Study
- **Number** of investment-ready opportunities marketed in support of partners
- **Development** of investment-focused FAM tour
- **Number** of operators assisted through mentorship program
- **Number** of visitors to the online resource centre
- **Number** of resources downloaded
- **Number** of online self-assessment tools developed
- **Number** of participants (operators and communities) who have downloaded the self-assessment tools
- **Increase** in promotion of investment attraction and economic development tools and resources through newsletters, social media, website and webinars.
- **Increased** investment in northern Ontario tourism industry (new and existing)
- **Increased** number of jobs within the tourism sector

Partnerships

Throughout the stakeholder consultation phase and areas of focus listed above, a number of partners have been identified who can either provide supports or assist in facilitating investment attraction efforts across northern Ontario. Below are potential partners to assist with implementation.

FEDERAL	PROVINCIAL	REGIONAL
FedNor	Ministry of Heritage, Sport, Tourism and Culture Industries- Investment & Development Office	Municipalities, First Nations and other Community Government Agencies
The Business Development Bank of Canada	Ministry of Northern Development, Mines, Natural Resources and Forestry	Nature and Outdoor Tourism Ontario (NOTO)
Economic Development Association of Canada	Ministry of Energy	Community Futures Development Corporations (CFDC)
Tourism Industry Association of Canada (TIAC)	Ministry of Agriculture, Food and Rural Affairs (OMAFRA)	Small Business Enterprise Centers (SBEC)
	Ministry of Environment, Conservation and Parks	Traditional and non-traditional banks and credit unions
	Ministry of Transportation	Northern Ontario Angel Network
	Economic Developers Council of Ontario (EDCO)	Federation of Northeastern Ontario Municipalities (FONOM)
	Tourism Industry Association of Ontario (TIAO)	Destination Marketing Organizations
	Indigenous Tourism Ontario (ITO)	
	Association of Municipalities of Ontario (AMO)	
	Northern Ontario Heritage Fund Corporation (NOHFC)	



Implementation Timeline

The Senior Coordinator will develop and implement a phased three-year workplan to achieve key priorities and steps as outlined above. Due to the current global pandemic, components of the workplan may be modified or adjusted to fit the needs of the industry as it transitions into the recovery phase. Ongoing communications with industry partners will be critical for implementing the desired investment attraction activities while identifying areas that may need to be modified.





Implementation Budget

A dedicated investment attraction budget to assist with implementation efforts should be reviewed annually between the Senior Coordinator and Executive Director. As investment attraction becomes more prevalent within DNO operations, budget allocations will need to be adjusted to reflect the human and financial resources required to facilitate investment attraction efforts across the north. Additional support from regional, provincial and federal partners may be sourced depending on the activity being undertaken.

Conclusion

The need for Destination Northern Ontario to play a facilitative role within the investment attraction ecosystem is critical to ensuring the importance of tourism is represented among all levels of government as well as within the economic development network.

Due to the significant challenges experienced by operators and communities, the importance of business retention, succession planning and investment attraction within the tourism sector is critical for its growth and development. It is vital that Destination Northern Ontario collaborate with industry partners and operators to develop a conducive environment that stimulates tourism growth, investment attraction and destination development. Investment attraction efforts outlined within the workplan align with the three shifts of focus Defend & Maintain; Inspire & Grow; and Rise & Shine in order to deliver quality products and experiences that resonate with visitors.

Through the development of tourism-related tools, programs and resources that support and facilitate investment within the sector, enhancement of the overall visitor experience will be realized.

The Senior Coordinator in collaboration with the Executive Director and other senior staff should continue to collaborate and foster strong synergies with economic development and investment attraction organizations and professionals to ensure a coordinated and collaborative approach is implemented in relation to all investment attraction efforts detailed above.

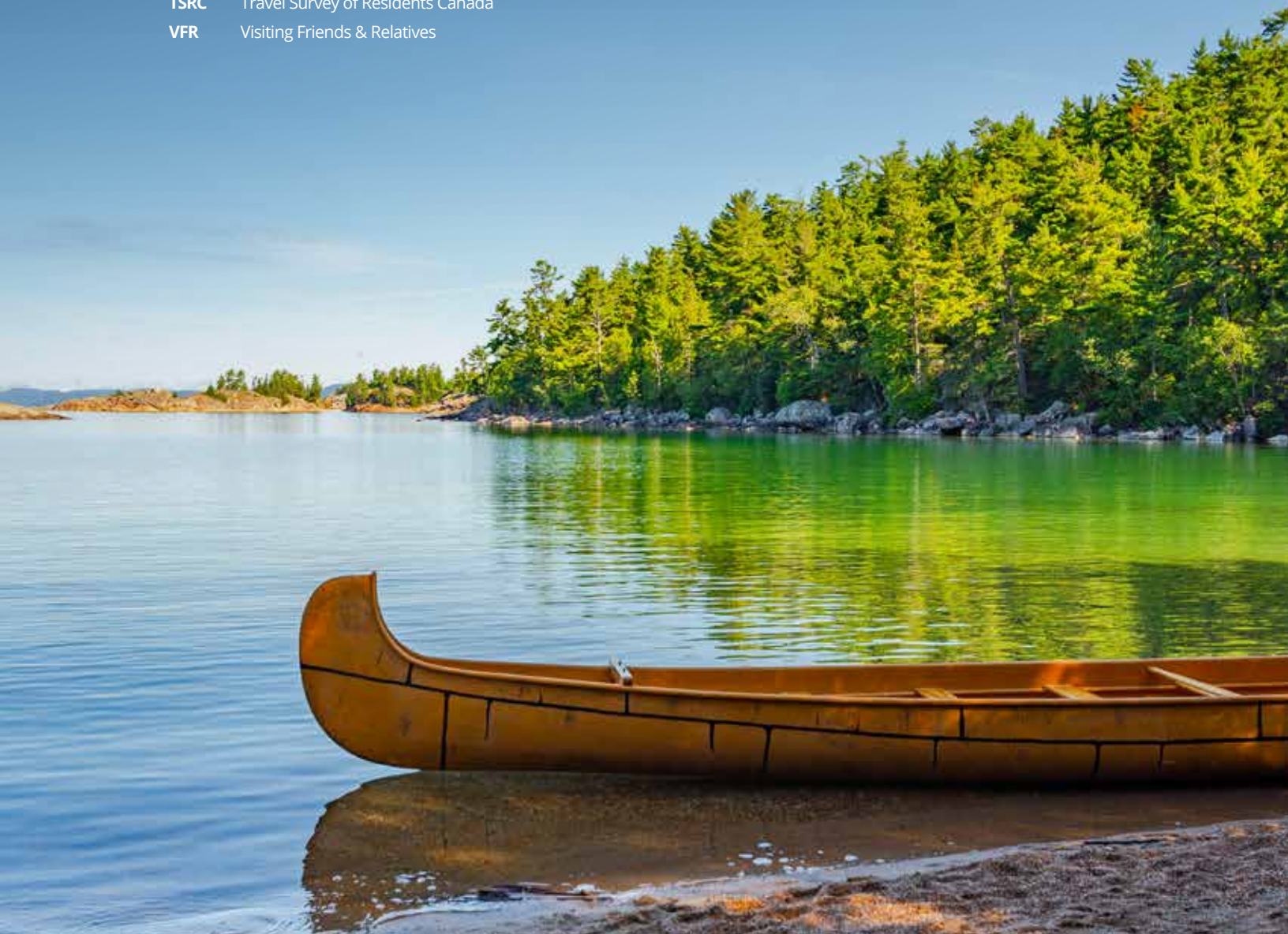


GLOSSARY OF ACRONYMS

CMA	Census Metropolitan Areas
CBRE	CBRE Group (consulting firm)
DMO	Destination Marketing Organization
DNO	Destination Northern Ontario
FAM	Familiarization Tour
IA	Investment Attraction
KPI	Key Performance Indicator
MTCS	Ministry of Tourism Culture & Sport
NOHFC	Northern Ontario Heritage Fund Corporation
NOTO	Nature & Outdoor Tourism Ontario
Q	Quarter
RTO	Regional Tourism Organization
SEP	Summer Employment Program
SIP	Strategic Implementation Plan
TEN	Tourism Excellence North
TIC	Travel Information Centre
TNO	Tourism Northern Ontario
TSRC	Travel Survey of Residents Canada
VFR	Visiting Friends & Relatives



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