

# TOURISM INVESTMENT ATTRACTION STRATEGY FOR NORTHERN ONTARIO

## Final Report

**Prepared for:**

Tourism Northern Ontario  
Investment Attraction Working Group



January 2015



January 23, 2015

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**RE: TOURISM INVESTMENT ATTRACTION STRATEGY FOR NORTHERN ONTARIO – Final Report**

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Attention Working Group members:

In accordance with the terms of our engagement, PKF Consulting is pleased to submit the attached Final Report in conjunction with the development of a Tourism Investment Attraction Strategy for Northern Ontario, on behalf of Tourism Northern Ontario.

The Tourism Investment Attraction Strategy for Northern Ontario involves an approach to attract and retain investment in Northern Ontario's tourism sector that will ultimately assist in building a strong and empowered tourism industry, and increasing visitation to the region.

The Strategy provides recommendations to address existing barriers to investment in Northern Ontario and other strategic considerations limiting enhancement of the sector, along with the relevant roles and responsibilities required to implement those recommendations. For each recommendation, "lead" roles and related responsibilities are defined, along with an indication of how TNO can provide a connecting role to support and encourage tourism investment, thereby making the case for tourism investment throughout Northern Ontario.

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Hospitality & Tourism  
Business Advisors

The ultimate goal of the Tourism Investment Strategy is to ensure the tourism investment community is being supported with the appropriate resources from Northern Ontario investment attraction facilitators, which involves generating an enhanced recognition of tourism as an economic generator across Northern Ontario.

Yours very truly,

A handwritten signature in blue ink that reads "PKF Consulting Inc." in a cursive style.

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## 1.0 INTRODUCTION

### 1.1 Study Objective

As part of the RTO funding guidelines from MTCS, Tourism Northern Ontario (TNO) has been tasked with the mandate to lead tourism marketing, product development, workforce development/capacity building and investment attraction across Northern Ontario.

As highlighted in TNO's Business Plan for 2014-2015, TNO's Board of Directors has recognized the organization's role with respect to investment attraction as being one of **information sharing, facilitation and advocacy**. TNO is currently maintaining an online resource directory to share information with partners and potential investors, and is keeping track of specific industry investment needs and concerns, i.e. financial, business and succession planning. However, the organization lacks a definitive strategy to consolidate its role – and the role of the sub-regions – in terms of gaining awareness of new opportunities for tourism investment, acting as a resource, and funneling opportunities to the appropriate contacts.

To that extent, TNO has retained PKF Consulting to develop and deliver a Tourism Investment Attraction Strategy that tracks investment attraction activities in Ontario, and specifically Northern Ontario, and also identifies TNO's optimum role in support of those tourism investment activities, including any roles required at the sub-regional level.

This study will assist TNO in advocating a strong business case for tourism investment in Northern Ontario, and in developing partnerships to support the goal of attracting investment.

### 1.2 Study Process

The methodology for TNO's Tourism Investment Strategy involves an iterative approach, collecting feedback from: the TNO staff, Investment Attraction Working Group, Board members, Economic and Tourism Development Officers and Managers across the region, and funding agencies across Ontario.

In order to complete this project, PKF undertook the following 2 phase study process:

- Phase 1 – Situational Analysis and Consultation
- Phase 2 – Development of Investment Attraction Strategy and Reporting

### 1.3 Work Program and Purpose of Subject Report

The subject report includes results of the following steps:

- Start-up meeting with the Steering Committee to discuss the assignment in detail, confirm the work plan and finalize the terms of reference;
- Stakeholder consultation with representatives of relevant organizations, including: the TNO Investment Attraction Industry Committee, the Investment & Development Office of MTCS, TIAO, FedNor, MNDM;
- Distribution and analysis of a survey aimed at representatives of organizations currently driving economic development and tourism investment in Northern Ontario to determine the types

of tourism investment attraction initiatives already underway, existing partnerships, and TNO's potential role;

- Best practice analysis of other jurisdictions similar to TNO to determine their investment attraction strategic priorities and related activities;
- Development of a comprehensive inventory of tourism investment attraction activities in Ontario;
- Preparation of an Interim Summary Report documenting our research to date;
- Presentation of Phase 1 findings to Board and industry stakeholders at TNO Northern Ontario Summit on November 20, 2014 in Thunder Bay;
- Follow up discussions with Investment Attraction Working Group. The emerging ideas and feedback formed the basis for the full Tourism Investment Attraction Strategy; and
- The development of the Final Tourism Investment Attraction Strategy for Northern Ontario.

The purpose of the subject Report is to provide a situational analysis of the Region's current tourism investment environment, an inventory of tourism assets, results of stakeholder interviews and survey results, a best practice analysis, and the identification of the strengths, weaknesses and opportunities for tourism investment attraction; clearly identify both TNO's role and function in relation to investment attraction and the potential role of the 3 sub-regions; provide a list of "best bet" activities for TNO within the pan-northern and sub-regional structure, including considerations for partnerships going forward. The

Final Strategy also includes an implementation plan, inclusive of a communications plan for rolling out the Strategy to others engaged in investment attraction for Ontario and Northern Ontario.

## 2.0 SITUATIONAL ANALYSIS

### 2.1 Introduction

The following section provides an overview of tourism investment in Ontario, and an overview of known tourism investments in Northern Ontario over the past 6 years.

### 2.2 Tourism Investment in Ontario

As part of the Ontario Tourism Competitiveness Study Report *Discovering Ontario: A Report on the Future of Tourism*, which was released in 2009, the Ministry of Tourism, Culture and Sport (MTCS) has actively adopted the recommendation to “maximize the impact of private and public tourism investments on new and revitalized product across Ontario,” and more specifically, actively attracting investment, investing in transportation infrastructure, and reinvesting in the Province’s own cultural and tourism attractions.

Although there have been some significant major investments made in the tourism sector as of late, access to capital remains an issue particularly for small and medium sized businesses, with many operators remaining unaware of what funding sources are available for re-investment.

In an effort to quantify just how much investment has been made in Ontario’s tourism sector over the past 6 years, Table 2-1 provides a summary of private and public investment in Ontario’s tourism sector, in comparison to Canada overall. For the purposes of this analysis, the “tourism sector” includes businesses categorized by Statistics Canada as “arts, entertainment and recreation” (NAICS 71), as well as “accommodation and food services” (NAICS 72). As shown, Ontario tourism investment totaled \$2.0 Billion in 2008, or 36% of Canada’s tourism investment, yet by 2013 had dropped by 13% to \$1.9 Billion or 33% of national investment.

Over the 2008 to 2013 period, Canadian tourism investment rose by less than 1%, while Ontario investment declined by 13%. The decline both nationally and provincially has been predominantly in the arts, entertainment and recreation industries (57%), with investment in the

**TABLE 2-1**  
**CAPITAL EXPENDITURE IN ONTARIO'S TOURISM SECTOR (2008-2013) in \$Millions**

North American Industry Classification System (NAICS)	2008	2009	2010	2011	2012	2013	6-year Growth
Arts, entertainment and recreation [71] - CANADA	\$2,312.7	\$1,678.6	\$1,664.3	\$1,779.0	\$1,932.9	\$2,010.3	-16.4%
Accommodation and food services [72] - CANADA	\$3,288.0	\$4,032.8	\$3,320.9	\$3,688.8	\$3,687.3	\$3,672.9	12.1%
<b>TOTAL CANADA TOURISM INVESTMENT</b>	<b>\$5,600.7</b>	<b>\$5,711.4</b>	<b>\$4,985.2</b>	<b>\$5,467.8</b>	<b>\$5,620.2</b>	<b>\$5,683.2</b>	<b>0.3%</b>
<b>% Growth in Ontario Capital &amp; Repair Expenditure</b>		<b>2%</b>	<b>-13%</b>	<b>10%</b>	<b>3%</b>	<b>n/a</b>	
Arts, entertainment and recreation [71] - ONTARIO	\$1,028.7	\$485.8	\$484.4	\$539.8	\$441.2	\$534.3	-57.1%
Accommodation and food services [72] - ONTARIO	\$1,001.4	\$1,325.7	\$1,206.8	\$1,384.7	\$1,320.1	\$1,329.4	31.8%
<b>TOTAL ONTARIO TOURISM INVESTMENT</b>	<b>\$2,030.1</b>	<b>\$1,811.5</b>	<b>\$1,691.2</b>	<b>\$1,924.5</b>	<b>\$1,761.3</b>	<b>\$1,863.7</b>	<b>-13.2%</b>
<b>% Growth in Ontario Capital Expenditure</b>		<b>-11%</b>	<b>-7%</b>	<b>14%</b>	<b>-8%</b>	<b>6%</b>	
<b>% Ontario - Capital Expenditure of Total Canada</b>	<b>36%</b>	<b>32%</b>	<b>34%</b>	<b>35%</b>	<b>31%</b>	<b>33%</b>	

Source: Statistics Canada. Table 029-0005 - Capital and repair expenditures, by sector and province, annual (dollars)



accommodation and food services industries growing by 32% over the 2008 to 2013 period.

### 2.3 Northern Ontario Tourism Investment Profile

Unfortunately, Statistics Canada does not further subdivide capital investment data beyond the provincial level. However, Table 2-2 provides a preliminary summary of capital expenditure within the tourism sector in Northern Ontario, based on PKF data and secondary research. Accommodation data has been calculated using PKF's proprietary Hotel Supply Database, which tracks supply additions in the hotel industry, along with cost estimates for comparable private sector developments. This does not include re-investment at existing lodging properties for renovations and upgrades. The accommodation data has been supplemented with tourism investment data compiled through secondary research, and verified according to major funding resources over the 2009 to 2013 period (e.g., FedNor, NOHFC, Celebrate Ontario, etc.) for the following tourism-related categories: attractions, festivals & events, recreation, major infrastructure (transportation-related), and urban revitalization. A full list of capital expenditures compiled for the subject report has been provided in **Appendix A**.

As shown in Table 2-2, investment in Northern Ontario accommodations has fluctuated from a low of \$11 Million to a high of \$55 Million on an annual basis between 2009 and 2014, while investment in the attractions, festivals/events and recreation industries has fluctuated from \$100,000 to \$22.5 Million. Overall, investment into Northern Ontario's tourism sector decreased by 60% over the 2009-2014 period. Annual investments have ranged from a low of \$11 Million in 2012, to a high of \$107.5 Million in 2009. Meanwhile, funding through FedNor, NOHFC and other resources continues to play a significant role, ranging from 1% of total tourism investment in 2012 to 65% in 2009. As a percentage of overall Ontario expenditures in the tourism sector, Northern Ontario investments have ranged from 1% to 6% of total provincial investment.

Table 2-3 summarizes the **average annual investment** into Northern Ontario's tourism sector during the 2009 to 2013 period, which is estimated at **\$52 Million**. The accommodations sector achieved the highest annual investment over this time period, at an average of \$24 Million, followed by attractions / festivals & events / recreation at \$14 Million, and infrastructure / urban revitalization at \$14 Million annually.

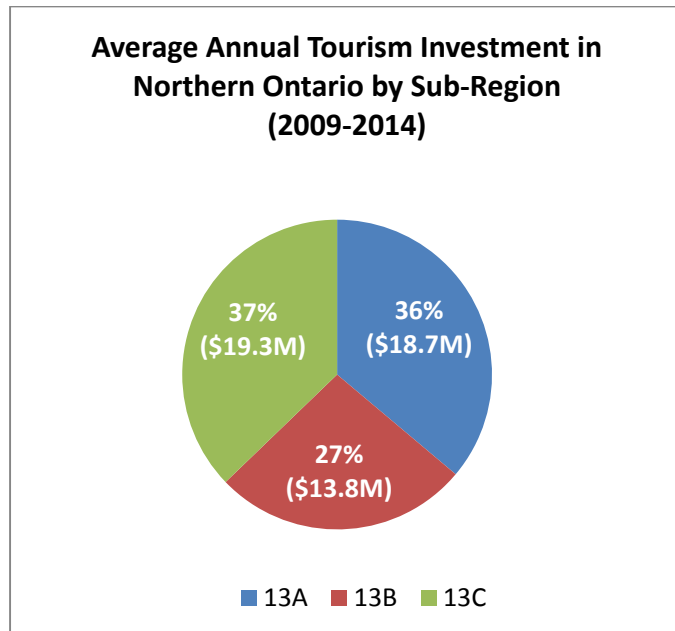
	2009	2010	2011	2012	2013	2014	6-year Growth
Accommodations	\$33.2	\$11.3	\$20.2	\$11.0	\$54.7	\$15.5	<b>-53.4%</b>
Attractions, Festival & Events, Recreation	\$22.5	\$14.0	\$17.2	\$0.1	\$11.0	\$17.6	<b>-22.0%</b>
Infrastructure, Urban Revitalization	\$51.7	\$14.2	\$3.6	\$0.0	\$3.1	\$9.9	<b>-80.9%</b>
<b>Total Northern Ontario Tourism Investment</b>	<b>\$107.5</b>	<b>\$39.5</b>	<b>\$41.1</b>	<b>\$11.1</b>	<b>\$68.9</b>	<b>\$43.0</b>	<b>-60.0%</b>
<b>Gov't Funding for Northern Ontario Tourism Investment</b>	<b>\$70.1</b>	<b>\$7.4</b>	<b>\$6.4</b>	<b>\$0.1</b>	<b>\$9.3</b>	<b>\$14.8</b>	<b>-78.9%</b>
<b>% Growth in Northern Ontario Capital Expenditure</b>	<b>n/a</b>	<b>-63%</b>	<b>4%</b>	<b>-73%</b>	<b>518%</b>	<b>-38%</b>	
<b>% Government Contribution towards Tourism Investment</b>	<b>65%</b>	<b>19%</b>	<b>16%</b>	<b>1%</b>	<b>13%</b>	<b>34%</b>	
<b>Northern Ontario Tourism Investment as % of Ontario</b>	<b>6%</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>	<b>4%</b>	<b>n/a</b>	

Source: Statistics Canada. Table 029-0005; PKF Consulting; FedNor, NOHFC, and Ontario Government website data

Type of Tourism Investment	Total Investment (2009-14)	Average Annual Investment
Accommodations	\$146.0	\$24.3
Attractions, Festival & Events, Recreation	\$82.5	\$13.8
Infrastructure, Urban Revitalization	\$82.5	\$13.8
<b>Total Northern Ontario Tourism Investment</b>	<b>\$311.0</b>	<b>\$51.8</b>

*Source: PKF Consulting; FedNor, NOHFC, and Ontario Government website data*

Figure 2-1 further identifies the annual average tourism investment in Northern Ontario by sub-region over the 2009 to 2014 period. As shown, the highest average annual investment was made in 13C at \$19.3 Million, followed by 13A at \$18.7 Million and 13B at \$13.8 Million.



## 2.4 Northern Ontario Tourism Business Profile

In addition to the preceding investment profile, PKF has also used Ministry of Tourism, Culture and Sport (MTCS) and Nature and Outdoor Tourism Ontario (NOTO) database information on total tourism establishments in Northern Ontario, to gain a better understanding of the types of businesses benefitting from investment in the North.

Northern Ontario is made up of primarily resource-based communities, with mining and forestry at the forefront, but secondary industries include: tourism, recreation, health care, education, commercial and industrial commerce, culture and telecommunications.

Table 2-4 provides a summary of total tourism businesses in Northern Ontario (RTO13) in comparison to Ontario, and in relation to total businesses overall within the region. As shown, since 2007, tourism-related businesses have comprised between 21% and 26% of total businesses in Northern Ontario. In comparison, Ontario tourism businesses have represented between 16% and 18% of overall Ontario businesses over the past 6 years, demonstrating the importance of tourism to Northern Ontario. Overall, the total number of tourism businesses in Northern Ontario has declined by 8.2%, while tourism businesses in Ontario overall declined by 2.9% from 2007 to 2012. As a ratio of total tourism businesses in Ontario, Northern Ontario tourism businesses have ranged from 5% to 6%, which is higher than the total level of investment being tracked over the last 6 years (1%-4%).

Tourism Establishments	2007	2008	2009	2010	2011	2012	6-year growth
RTO13 - Tourism Businesses	9,872	9,510	9,404	9,388	7,546	9,063	-8.2%
RTO13 - Total Businesses	38,875	37,854	37,730	37,970	36,522	37,239	-4.2%
% RTO13 tourism of Total	25.4%	25.1%	24.9%	24.7%	20.7%	24.3%	
Ontario - Tourism Businesses	154,911	148,623	147,968	149,110	145,753	150,449	-2.9%
Ontario - Total Businesses	877,058	868,497	872,281	885,175	875,992	895,372	2.1%
% ON tourism of Total	17.7%	17.1%	17.0%	16.8%	16.6%	16.8%	
% RTO13 of ON Tourism Bus	6.4%	6.4%	6.4%	6.3%	5.2%	6.0%	

Source: Ministry of Tourism, Culture and Sport, Number of Tourism-related Businesses by Establishment Size

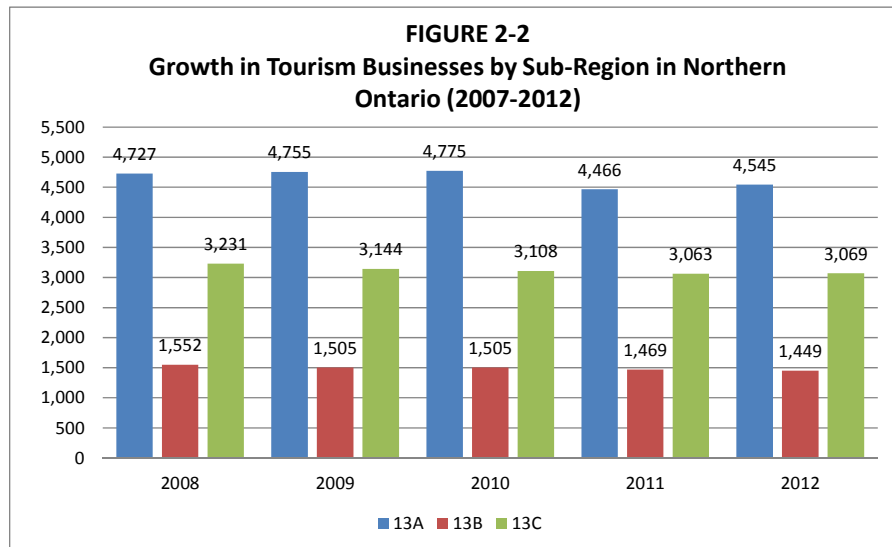
Table 2-5 provides a list of tourism-related businesses in Northern Ontario by size and type, according to MTCS categories, and the growth in business supply over the past 6 years. For the purposes of this analysis, Accommodations and Recreation & Entertainment establishments, which represent approximately 25% of the tourism businesses, were identified as the most representative indicators of tourism establishments for Northern Ontario. Retail, transportation, food and beverage and other services constitute the balance of tourism-related businesses (75%). Based on Statistics Canada's definition of tourism businesses, 1-in-every-4 businesses in Northern Ontario are considered to be tourism-related. However, by narrowing the definition to accommodation and recreation and entertainment facilities only, 1-in-every-5 tourism businesses fit within these 2 categories, which represent 1-in-every-20 businesses in Northern Ontario.

As shown, about two-thirds of all tourism businesses in the north are small businesses with less than 50 employees. This ratio has remained the same despite the decline in number of tourism-related businesses of that size (8.2%) over the 6-year period. Medium-size businesses in the 50-99 and 200-499 employee range have both increased, by 10.9% and 7.1% respectively.

Tourism Businesses by # of Employees	2007	2008	2009	2010	2011	2012	% chg 2007-12
>50	6,342	6,244	6,191	6,147	5,939	5,819	-8.2%
50-99	201	204	209	222	207	223	10.9%
100-199	76	77	78	84	73	73	-3.9%
200-499	28	29	29	28	27	30	7.1%
500+	1	1	1	1	1	1	0.0%
<b>Total Total Tourism Establishments</b>	<b>9,872</b>	<b>9,510</b>	<b>9,404</b>	<b>9,388</b>	<b>7,546</b>	<b>9,063</b>	<b>-8.2%</b>
<b>Accommodation Types</b>							
Hotels/Resorts/Motels	523	501	498	486	461	469	-10.3%
B&Bs	29	34	34	35	31	39	34.5%
Cottages / Cabins	202	206	199	190	183	156	-22.8%
RV Parks / Campgrounds	120	122	119	123	117	104	-13.3%
Hunting & Fishing Camps	348	356	341	316	320	340	-2.3%
<b>Subtotal Accommodations</b>	<b>1,340</b>	<b>1,344</b>	<b>1,321</b>	<b>1,288</b>	<b>1,249</b>	<b>1,241</b>	<b>-7.4%</b>
<b>% of Total Tourism Businesses</b>	<b>13.6%</b>	<b>14.1%</b>	<b>14.0%</b>	<b>13.7%</b>	<b>16.6%</b>	<b>13.7%</b>	
<b>Recreation &amp; Entertainment Type</b>							
Museums / Zoos / Amusement Pks	29	22	23	25	21	19	-34.5%
Golf Courses / Ski Facilities	102	100	99	96	94	94	-7.8%
Marinas	47	47	40	40	40	32	-31.9%
<b>Subtotal Recreation &amp; Entertainment</b>	<b>663</b>	<b>634</b>	<b>633</b>	<b>626</b>	<b>597</b>	<b>590</b>	<b>-11.0%</b>
<b>% of Total Tourism Businesses</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>7.9%</b>	<b>6.5%</b>	

Source: Ministry of Tourism, Culture and Sport, Number of Tourism-related Businesses by Establishment Size

Figure 2-2 further shows the breakdown of tourism businesses in Northern Ontario by sub-region. As shown, the number of tourism businesses has declined across all sub-regions, in the range of 8-9%. At 4,500 tourism businesses, 13A has consistently been host to 50% of all RTO13 tourism businesses, while 13C comprised 33%-34%, and 13B the remaining 15%-16% of tourism businesses over the past 6 years.



Source: Ministry of Tourism, Culture & Sport - Number of Tourism-related Businesses (2006-2012)

On behalf of TNO, Nature and Outdoor Tourism Ontario (NOTO) also maintains a detailed database of tourism businesses operating in Northern Ontario, generated through its membership and supplementary research. This database has a larger reach within the Region, as it caters specifically to the Hunting & Fishing Lodges in its membership.

As shown in Table 2-6, the total number of lodges tracked by NOTO differs greatly from data collected through MTCS. Lodges make up 53% of the tourism-related inventory tracked by NOTO, as compared to 34% of the MTCS inventory.

**TABLE 2-6**  
**SUMMARY OF NATURE & OUTDOOR RELATED OPERATORS IN NORTHERN ONTARIO**

	NOTO Data (2014)				MTCS Data (2012)	
	13A	13B	13C	Region 13	Region 13	Difference
Hunting & Fishing Lodges	301	143	438	882	340	542
Hotels/Motels/Resorts	247	90	172	509	469	40
B&B	27	18	30	75	39	36
Campgrounds	57	42	32	131	104	27
Marina	46	3	1	50	32	18
Attractions	4	4	13	21	23	-2
<b>TOTAL</b>	<b>682</b>	<b>300</b>	<b>686</b>	<b>1,668</b>	<b>1,007</b>	<b>661</b>
<b>% of Total (NOTO data)</b>	<b>41%</b>	<b>18%</b>	<b>41%</b>	<b>100%</b>		

Source: NOTO Database, MTCS

## 2.5 Conclusions

Since 2008, there has been a significant decline in both capital investment and total number of businesses operating in Northern Ontario's tourism sector. Over the 2008 to 2013 period, Canadian tourism investment rose by less than 1%, while Ontario investment declined by 13%. The decline both nationally and provincially has been predominantly in the arts, entertainment and recreation industries (57%), with investment in the accommodation and food services industries growing by 32% over the past 6 years (2008-2013).

Overall, investment into Northern Ontario's tourism sector decreased by 60% over the 2009-2014 period. As a percentage of overall Ontario expenditures in the tourism sector, Northern Ontario investments have ranged from 1% to 6% of total provincial investment.

Furthermore, the **average annual investment** into Northern Ontario's tourism sector during the 2009 to 2013 period was **\$52 Million**. Accommodations achieved the highest annual investment average at \$24 Million. With an estimated 9,000 tourism establishments operating in RTO13 in 2012 (according to MTCS data), **average annual tourism**

**investment in Northern Ontario equates to over \$5,700 per tourism business. In comparison, the average annual tourism investment in Ontario is \$1.8 Billion, which at 150,000 tourism businesses, equates to \$12,000 per business.**

About two-thirds of all tourism businesses in the north are small businesses with less than 50 employees. This ratio has remained the same despite the decline in number of tourism-related businesses of that size (8.2%) over the last 6 years. The number of tourism businesses has declined across all sub-regions, in the range of 8-9%. At 4,500 tourism businesses, 13A has consistently been host to 50% of all RTO13 tourism businesses, while 13C comprised 33%-34%, and 13B the remaining 15%-16% of tourism businesses over the past 6 years. When comparing this data to the sub-regional tourism investment results, the highest average annual investment over the past 6 years was made in 13C at \$19.3 Million (or 37% of Region 13 investment), followed by 13A at \$18.7 Million (36%) and 13B at \$13.8 Million (27%).

While every attempt has been made to track tourism investment in Northern Ontario since 2009, it should be noted that the data presented in this section is incomplete. There are significant gaps in both tracking of tourism-related inventory and investment data for Northern Ontario as a region, with many existing resources remaining underutilized. However, the data presented does provide a starting point to continue to track the level of tourism investment being undertaken throughout the north.

The following section delves deeper into the organizations who are currently working to drive investment to Ontario, and identifies where the gaps lie for both tourism and investment.

## 3.0 WHO IS DOING WHAT?

### 3.1 Introduction

The following section provides an overview of the entities responsible for tourism investment attraction in Ontario at various levels of government, and the programs and strategies that these organizations manage for both investment and re-investment in the tourism sector – specifically within Northern Ontario.

### 3.2 Federal Level

#### 3.2.1 FedNor / Industry Canada

FedNor is a federal regional development organization with a specific mandate to invest in economic development, business growth and competitiveness, and innovation in Northern Ontario. Through its flagship **Northern Ontario Development Program**, FedNor provides financial support to viable projects led by businesses, municipalities, First Nations, and other organizations and institutions. Specifically, FedNor helps Northern Ontario communities and businesses develop the tools they need to retain and attract foreign and domestic investment into the region, creating new businesses and expanding others. In relation to tourism investment, FedNor takes a **reactive approach and facilitation role**, assisting organizations who approach them with education, training and funding tools.

In December 2014, FedNor launched a new \$3 Million **Community Investment Initiative (CIINO)** aimed at helping Northern Ontario communities attract, retain and support business investment. This initiative is targeted at smaller municipalities and First Nations with limited economic development capacity to enable them to take advantage of business investment, job creation and regional collaboration opportunities, similar to economic development tactics

offered by Northern Ontario's larger urban centres. The new program will help these smaller communities and First Nations, which do not have an existing, full-time economic development position, to hire temporary staff to identify business opportunities and manage local economic development efforts. Eligible projects can receive up to 90% of costs to a maximum of \$100,000 annually for a period of up to 3 years. A regional project may also be eligible for funding of up to \$170,000 depending on the number of partner communities and geographic coverage.

This new Community Investment Initiative for Northern Ontario is expected to:

- Create jobs;
- Increase the number of community and/or regional economic development initiatives implemented (e.g., waterfront development, downtown diversification, etc.) leading to investment attraction, economic growth and sector development and/or innovation;
- Increase regional collaboration and partnerships among communities.

FedNor also has funds for **Investment Attraction** related activities under the **Business Growth and Competitiveness pillar**. Within this pillar area, FedNor typically invests in projects that improve productivity, reach new markets, facilitate access to capital, foster investment, encourage entrepreneurship and cultivate industry collaboration. Eligible projects encompass SMEs in key industries across Northern Ontario, which includes Tourism, for which activities may contain: **investment attraction initiatives**, including developing and implementing investment attraction strategies and marketing strategies.

Eligible costs include all incremental expenses directly related to the project, not including operational costs. Examples of non-capital costs may include:

- Fees for professional and technical services, including market, trade and export expertise;
- Costs related to business management training;
- Costs related to producing and disseminating results of studies/plans;
- Marketing costs, including design, promotional materials, advertising, product demonstrations and participation at trade shows; and
- Travel expenses and labour costs.

Capital costs may include:

- Servicing of industrial lands;
- Leasehold improvements; and
- Machinery, equipment and technology.

FedNor has also funded Product Development activities, such as capital investment in waterfront/downtown development, and training programs that are directed to private sector aimed at increasing revenues/growth. All activities must be project based, and there is no operational funding available through FedNor.

FedNor also supports a network of 24 **Community Futures Development Corporations (CFDCs)** in Northern Ontario. These local, not-for-profit organizations provide business financing, as well as business planning and other services. Through the CFDCs, there are **private sector loans** available for development projects in Northern Ontario. CFDCs tend to provide support for higher risk loans than a bank

could entertain. For example, fishing and hunting lodges are typically considered higher risk, as these are unsecured assets, involving an aging demographic and primarily seasonal operations.

Industry Canada is also involved in the **Invest Canada - Community Initiatives (ICCI)** program, which provides financial support to communities for their foreign direct investment initiatives (FDI) and activities. The program supports non-profit and public-private partnerships at the local community level by assisting to expand business capacity to attract, retain and expand FDI, in order to create jobs, support innovation and increase exports. Non-repayable contributions range from \$3,000 to \$300,000, and agreements are made for a one-year period, on a calendar basis. Since its inauguration in 2006, there have **been few tourism-related projects funded through this program.**

As an example, ICCI provided funding for one Northern Ontario community in 2014, the Chapleau Economic Development Corporation, at a total of \$33,215.

### 3.2.2 Business Development Bank of Canada (BDC)

BDC offers loans, consulting services, growth and business transition capital, securitization, as well as venture capital to more than 30,000 small and medium-sized companies across Canada. With respect to investment attraction, BDC takes a **reactive approach**, as it is not actively involved in seeking leads. Further, although it does not distinguish between types of industries, BDC does specifically provide financial resources and business planning tools, as well as information on levels of investment for the hospitality and tourism sector in Ontario. BDC recently announced a partnership agreement with the Economic Developers Council of Ontario (EDCO) to increase their joint impact in

rural communities across Ontario by providing entrepreneurs with access to financial and advisory resources. EDCO's role will be to specifically enhance the capacity of economic development professionals and increase their skill level through development of curriculum over the next year, which is discussed further in Section 3.4.

### 3.3 Provincial Level

#### 3.3.1 Ministry of Tourism, Culture and Sport – Investment & Development Office

The 2009 Sorbara report, *Discovering Ontario – A Report on the Future of Tourism*, stressed the need for a targeted approach to tourism investment attraction.

In response to this recommendation, the Ministry of Tourism, Culture and Sport's Investment & Development Office (IDO) undertook a study in 2011 entitled *Ontario's Tourism Investment Strategy and Implementation Plan*. Study findings identified the need for a concerted, coordinated, long-term investment attraction effort in order for Ontario to compete with other regions globally.<sup>1</sup>

Building on the results of the 2011 study recommendations, in 2013 the Investment & Development Office put forward the **following 5-point plan to attract and support increased investment in Ontario's tourism industry**.

- 1. Establish tourism as a priority sector in Ontario's investment attraction approach.**

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<sup>1</sup> Millier Dickinson Blais: *Ontario's Tourism Investment Strategy and Implementation Plan*, 2011, pg 29

#### Actions to Date:

Led by the Ministry of Tourism, Culture and Sport, a multi-ministry ADM Advisory Committee has been established to raise the industry's profile among senior managers across government. The Committee includes senior representation from the following provincial ministries:

- Ministry of Economic Development, Employment and Infrastructure
- Ministry of Northern Development and Mines
- Ministry of the Environment
- Ministry of Natural Resources
- Ministry of Affairs and Housing
- Ministry of Transportation
- Ministry of Agriculture, Food and Rural Affairs
- Ministry of Training, Culture and Universities
- Ministry of Citizenship, Immigration and International Trade

The Committee meets quarterly in Toronto to share information on key investment projects, issues and opportunities; changes to the regulatory environment; and the regional tourism approach. As of August 2014, IDO has hosted and prepared presentations for approximately 4 to 6 meetings, and hosted a Fall 2014 session.

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

#### Actions to Date:

When meeting with potential international investors, IDO has created the following 10 point value proposition as part of its master sales deck to help investors understand the province's competitive strategic advantages:



- 1) First choice for investors
- 2) Significant tourism market
- 3) Growing and stable economy
- 4) Access to capital
- 5) Low taxes
- 6) Remarkable talent
- 7) Cost competitive
- 8) Business friendly
- 9) Easy to reach
- 10) Great Brand

Many of these competitive advantages are the same as those employed by the Ministry of Economic Development, Trade and Infrastructure in seeking investors, and as such, ensure that the message is presented in a consistent manner.

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

#### Actions to Date:

IDO works closely with MEDTI to deliver 9 to 10 in-market programs per year, including attendance at anchor events and setting up investor meetings. Examples of anchor events include: International Association of Amusement Parks and Attractions (IAAPA), International Hotel Investment Forum in Berlin, Cruise Lines International Association; World Canal Conference, etc.

Tourism is now part of the Province's global lead generation network, which includes an estimated 40 International Business Development representatives hired on a fee for service contractual basis to generate investor-ready leads. The province's 10 International Marketing Centres provide a support role where necessary for Trade Missions, industry contacts, etc. IDO participates in weekly sales calls with the team, and

to date this initiative has generated approximately 300 prospective leads in the US marketplace, and a further 300 in Europe. IDO employs a proactive sales funnel approach to follow up on the international leads and ensure that the investors have the right information to help attract and secure the investment.

MEDTI has developed an advertising campaign – *Your Next Big Idea* -- for Investment magazines and show programs highlighting Ontario as a place to invest. In line with MEDTI, IDO will be launching its advertising program – *Your Next Big Idea in Tourism* – in Winter 2014/15.

### **4. Support investment with an all-of-government approach.**

#### Actions to Date:

IDO has assigned a position to act as the single point of contact across the 3 levels of government (federal, provincial and municipal) for tourism related projects providing investors with accurate information on business support programs and services such as Environmental Assessment Act, Ontario Municipal Board appeal process, site selection, etc.

### **5. Continue to identify provincially owned assets as opportunities for investment attraction.**

#### Actions to Date:

While IDO has identified key provincial assets which are trying to find new ways to attract investment opportunities, such as Ontario Place, Niagara Parks Commission, St. Lawrence Parks Commission, Provincial Parks, and Parks Canada, IDO's role in this area is still evolving.

Overall, IDO tends to take a **proactive approach** in terms of attracting international tourism investment to Ontario, while taking a more **reactive approach** to sourcing domestic tourism investors. While

international investors tend to be primarily interested in key gateway cities in Southern Ontario, IDO is willing to work with all RTOs, Ontario municipalities and potential investors who have identified a tourism investment opportunity and/or have a market ready site identified for a tourism investment opportunity.

A key area of support is provided through the **Tourism Development Fund (TDF)**, which supports projects that encourage 3 key streams:

- Tourism Investment;
- Tourism Product Development; and
- Industry Capacity Building.

The TDF program provides non-capital, project-based funding to:

- Develop research-based innovative and emerging tourism sectors;
- Support tourism organization's capacity building;
- Encourage new private sector tourism investment attraction; and
- Enhance Ontario's overall economic competitiveness and opportunities for Ontario tourism industry.<sup>2</sup>

Tourism associations (excluding Regional Tourism Organizations), municipalities, economic development corporations, not-for-profit organizations and businesses are eligible for up to 50% of the study funding under this Grants Ontario program. Eligible expenses for TDF include but are not necessarily limited to:

- Consulting services and project management;
- Research costs;

<sup>2</sup> <http://www.grants.gov.on.ca> Accessed September 4, 2014

- Tourism sector strategic planning;
- Business plan support, economic assessments and feasibility studies;
- Organizational development and capacity building;
- Conference organization costs including speaker fees;
- Project-related permits, fees and other similar charges;
- Other costs which are deemed reasonable.

IDO's role with respect to investment attraction can thus be considered **proactive** with respect to generating **international investment** and provision of support to those investors, and more **reactive** with respect to generating **domestic investment**.

### 3.3.2 Ministry of Northern Development and Mines (MNMD)

The Ministry of Northern Development and Mines (MNMD) is the **primary Ontario Ministry involved in tourism-related initiatives in Northern Ontario**. MNMD, in partnership with the Ministry of Infrastructure, unveiled the **Growth Plan for Northern Ontario** in 2011, outlining the government priorities for Northern Ontario for the next 25 years. The Ministry of Municipal Affairs & Housing (MMAH) is leading the Ontario Growth Secretariat, and they play a role in assisting with the Growth Plan for Northern Ontario, but MNMD remains the lead of this initiative. Nevertheless, the role of MNMD in terms of investment attraction is similar to that of FedNor, in that the organization takes a **reactive approach**, by providing advisory services, education and funding tools.

The Growth Plan for Northern Ontario, which is the overarching economic blueprint for Northern Ontario's 144 municipalities, 106 First Nations, Metis communities and more than 150 unincorporated communities, gives consideration to the following six key areas:

1. Economy
2. People
3. Communities
4. Infrastructure
5. Environment
6. Aboriginal Peoples

Tourism is identified as one of 11 existing and emerging priority economic sectors for Northern Ontario, with the following recommendations on growing and diversifying the sector<sup>3</sup>:

- Invest in strategic public infrastructure and the provincial parks system to improve the competitiveness of the tourism industry and enhance the visitor experience;
- Improve training and skills development in strategic areas such as e-technology, marketing, business planning and customer service to enable the tourism industry to better serve domestic and international travelers;
- Encourage regional co-operation to expand and diversify Northern Ontario's tourism offerings and increase tourism visitation and receipts;
- Encourage regions and communities to undertake cultural planning that identifies opportunities for promoting tourism, including Aboriginal niche tourism opportunities and building on the presence of a strong Francophone community to tap into French-speaking markets; and
- Link Northern Ontario tourism to provincial and national marketing campaigns and promote the uniqueness of the Northern Ontario experience.

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<sup>3</sup> *Growth Plan for Northern Ontario, pg. 16*

**The Plan does not include an Investment Attraction Strategy specific to tourism.** Rather the Plan's economic development strategies call for the Province to attract investment to Northern Ontario through:

- Integrated and timely one-window response to investment opportunities;
- Measures to address barriers to investment, such as information and communications technology infrastructure, energy costs, labour and transportation; and
- Working with other orders of government to co-ordinate approvals and address complex inter-jurisdictional issues.

The Ministry of Northern Development and Mines (MNDM) promotes economic growth, infrastructure enhancements and investment in Northern Ontario. Most of their efforts are focused on the primary resource sectors (mining, energy, forestry, etc.), including attracting global investment interests and new export opportunities for northern businesses.

Specifically, as it relates to attracting investment in the tourism sector, MNDM offers the following services and programs:

- Access to **6 Tourism Advisors** throughout the north. However, these positions are not solely focused on tourism, but rather include roles and responsibilities spanning across all economic sectors.
- ***Business Planning Guide for Resource-Based Tourism Operators*** – A business planning guide, which has been developed to address the needs of tourism businesses and the lending community that may support investments in expansion or upgrades to resource-based tourism establishments in Northern Ontario.

- **Northern Communities Investment Readiness (NCIR)** initiative – Assists in the development of essential and strategic tools for municipalities, First Nations and economic development corporations in Northern Ontario to attract, receive and explore investment opportunities. Eligible applicants are required to complete the *Investment Readiness Test: A Self-Assessment Tool for Northern Communities*, which helps communities identify investment readiness gaps and then build targeted investment initiatives to address the gaps. While this initiative is not specific to the tourism sector, many of the investment tools and tips can be applied to the sector.

Eligible project costs may include, but are not necessarily limited to:

- Investment related workshops and training;
- Investment readiness strategy development (e.g. community asset inventory, SWOT analysis, gap analysis, infrastructure requirement studies);
- Site selection information development;
- Investment priorities identification;
- Development of a community profile;
- Identification of investment targets and markets;
- In-bound familiarization tours or site visits of potential investors.

Funding generally does not exceed 75% of eligible costs, to a maximum of \$10,000 for each eligible applicant. Applications must be received by December, with all projects completed by March 31.

**Northern Ontario Heritage Northern Fund Corporation (NOHFC)** – Established in 1988, the NOHFC is a crown corporation and development agency of the Ontario government that invests in northern

businesses and municipalities through conditional contributions, forgivable performance loans, incentive term loans and loan guarantees. NOHFC offers 5 funding programs, all of which offer some applicability to investment in the tourism sector:

**1. Northern Business Opportunity Program:**

- Business Expansion Projects: Funding includes 50% of eligible project costs up to a maximum of \$1 Million per project;
- New Investment Projects: Funding in the form of a conditional grant or a combination of conditional grant and term loan/incentive term loan;
- Small Business Start-up Projects: Funding in the form of a conditional contribution and generally does not exceed 50% of eligible project costs up to a maximum of \$200,000;

**2. Northern Ontario Capacity Building Program:**

- Event Partnership: NOHFC will partner with organizations staging events that promote economic development and create/retain jobs in Northern Ontario. Funding generally will not exceed the lesser of 30% of eligible costs or up to \$100,000 for major tourism event capital costs to support the event; or up to \$15,000 for event partnership projects.
- Community Capacity Building Initiatives: To help northern communities develop the capacity to promote, attract and support economic growth in the emerging priority and economic sectors identified in the Growth Plan for Northern Ontario. Funding is not to exceed the lesser of 50% of costs up to a maximum of \$150,000.

**3. Strategic Economic Infrastructure Program:**

- This program supports infrastructure projects, with the maximum NOHFC investment at the lesser of 50% or \$1 Million of the eligible project components.

**4. Northern Innovation Program**

- There are 4 types of projects under this program. All eligible projects must involve research and development or commercialization activities for new technologies in the targeted sectors from the Growth Plan. Preference is given to projects falling under the following sectors: natural resources, advanced manufacturing, clean technology, health sciences, the bioeconomy, and the digital economy.
- Applied Research & Technology Projects - Private companies or private public partnerships are eligible. Financial assistance is limited to 50% of eligible costs to a maximum of \$250,000 as a conditional contribution.
- Industrial Research Chairs – the purpose of this program stream is to establish and enhance research capacity at Northern Ontario universities, colleges, and research institutes, and only they can apply. Financial assistance is limited to 50% of eligible costs to a maximum of \$1 million as a conditional contribution for the duration of the project.
- Opportunity Assessment Projects: this program is to help Northern Ontario businesses with identifying opportunities for new technology development projects and to provide them with vital decision-making information on the overall feasibility of the proposed projects. Northern Ontario private companies are eligible to apply, and service providers must be a not-for-profit organizations (i.e. colleges, universities,

innovation centres etc.) with the capability and resources to complete all of the work associated with the Opportunity Assessment Report in-house. Financial assistance is limited to 75% of eligible costs to a maximum of \$15,000 as a conditional contribution.

- Pilot Demonstration & Commercialization Projects: the purpose of this program stream is to help Northern Ontario businesses with reducing the technical and financial risks associated with scaling-up and demonstrating their new and innovative technologies. It is also intended to support them as they ramp-up for commercial production. Financial assistance is limited to 50% of eligible costs to a maximum of \$500,000.

**5. Northern Ontario Internship Program:**

- This program provides recent graduates who are interested in building their careers in Northern Ontario access to internships, with funding provided for up to 90% of a recent graduate's salary to a maximum of \$31,500.

**3.3.3 Ministry of Agriculture, Food and Rural Affairs (OMAFRA)**

The Ministry of Agriculture, Food and Rural Affairs' Rural Economic Development (RED) Program has up to \$4.5 million in funding per year for 3 years, to retain or create employment/economic growth in communities with populations of 100,000 or less. The program will contribute 50% of funding towards the planning and implementation of initiatives that will create employment / economic growth in rural communities. Funding is available to undertake strategies, research studies, plans or analysis related to economic development, business

retention and development, marketing, downtown revitalization, employment creation and training as well as global competitiveness. The RED Program also offers support for implementation of initiatives related to:

- **Business/sector development and diversification** (business fairs, mentoring, training, diversification, supply chains and best practice sharing, rehabilitation of culture, heritage or tourist attractions, etc.)
- **Regional marketing, promotional and/or branding activities** (Website development, branding strategies, marketing, etc).
- **Human capital and skills development, attraction and retention** (Community portal linking services, youth, newcomer and labour attraction/retention, programs for leadership development, entrepreneurship, mentorship, as well as industry and sector training).

While RED does not support capital costs such as land, buildings, major infrastructure and equipment (bricks and motor), eligible costs include consulting and professional fees, and some minor capital purchases for renovations, retrofitting and software, administration and travel expenses.

### 3.4 Local / Regional Level

#### 3.4.1 Municipalities, First Nations and other Community Government Agencies

Economic Development Officers, Tourism Managers, and other government officials in charge of tourism-related funding are primarily taking **proactive** roles to drive tourism investment to Northern Ontario.

The majority of professionals involved in tourism investment in Northern Ontario are directly employed by Municipalities, First Nations communities and other local agencies, and most of their resources are made available through the umbrella of economic development.

Section 4.0 of this report provides a summary of considerations for TNO relating to tourism investment attraction from economic development professionals across the region, along with an overview of the services and resources they provide, and types of tourism projects they are involved in at the current time.

Unfortunately, many economic development and tourism organizations are working in silos, and are often unfamiliar with initiatives that are going on in nearby communities, as there is no single entity in charge of tracking progress or cataloguing investment related projects in Northern Ontario.

#### 3.4.2 Economic Developers Council of Ontario (EDCO)

The Economic Developers Council of Ontario (EDCO) is an independent, non-profit, incorporated association of professionals engaged in economic development. The organization has a total of 800 members; including 250 of Ontario's 444 municipalities. Amongst Northern Ontario's 144 Municipalities, 24 are currently members of EDCO. EDCO offers a number of programs and services to its membership, and works with industry leaders and provincial ministries to offer high-quality training programs.

#### EDCO Investment Alliance

The EDCO Investment Alliance is a partnership of government and economic development organizations in Ontario who are focused on attracting international investment in real estate opportunities that will

result in increased employment and prosperity in the Province. This is a pilot project for 2015 which will focus on creating an Ontario message on the international stage by attending 2 major events – MIPIM<sup>4</sup> in Cannes, France in March 2015 and one other event to be determined by Alliance members. To date, 14 communities have joined the Alliance at a cost of \$5,000 per member, including:

- City of Brampton
- City of Hamilton
- City of Ottawa
- City of Guelph
- Durham Region
- Kingston Economic Development Corporation
- London Economic Development Corporation
- Perth County
- Haldimand County
- Simcoe County
- Town of Tillsonburg
- Town of Whitby
- Southwestern Ontario Marketing Alliance
- Ministry of Tourism, Culture and Sport
- Ministry of Economic Development, Employment and Infrastructure

One representative per Alliance member will participate in the EIA mission, with all types of investment featured, potentially including tourism opportunities. At this point, **no interest has been shown by EDCO members in Northern Ontario in joining the Alliance.**

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<sup>4</sup> A 4 day real estate exhibition, conference and networking event with 21,000 international property professionals.

The role of EDCO in the Alliance is to:

- Draft and budget a program of investment attraction activities that meets the approval of the members;
- Obtain funding from EDCO Real Estate Alliance members including preparing applications for funding from potential funding partners;
- Draft and obtain approval and maintain a budget;
- Approve and sign all contracts for agreed upon services;
- Invoice and collect accounts receivable;
- Co-chair all meetings;
- Prepare reports for funders;
- Be the identified contact and speaker on behalf of the Alliance; and
- Maintain regular contact with members regarding Alliance activities.

The role of the Alliance Chair is to:

- Work with EDCO to draft budget and program of investment attraction activities that meet the approval of Alliance members;
- Work with EDCO to obtain funding from EIA members including preparing applications for funding from senior levels of government;
- Maintain relations with funders at municipal, regional and senior levels of government;
- Approve all contracts for services;
- Call and co-chair at least 2 meetings and 2 EIA conference calls;
- Prepare an annual report for members and funders; and
- Maintain regular contact with members regarding OCTA activities.

### Tourism Investment Opportunities Marketplace

A second investment attraction initiative being led by EDCO is a Tourism Investment Opportunities Marketplace held at the Ontario Investment Trade Centre in Toronto on December 16, 2014. This event is by invitation only, and limited to up to 20 communities, with EIA members provided first opportunity. Attending communities are invited to showcase their tourism investment opportunities to a selected audience of Canadian real estate firms and developers.

### EDCO - BDC Partnership

EDCO and BDC recently announced a new partnership agreement to support entrepreneurs in rural Ontario. According to an early November 2014 news release, EDCO and BDC will work together to deliver programming to EDCO members to enhance the capacity of economic development professionals, and increase their skill level through development of curriculum in 2015.

### 3.4.3 Regional Sector Associations

**NOTO** is actively involved in advocacy for Northern Ontario's tourism sector. With respect to investment attraction, NOTO has introduced a workshop component at the Northern Ontario Tourism Summit (November 17-19, 2014) focused specifically on succession planning, which is a key issue identified by operators in the region.

In 2008, the **Northern Ontario Enterprise Gateway (NOEG)**, a non-profit organization comprised of angel investment groups from Northern Ontario, hosted a training session on how to prepare for working with Angel Investors and then how to market to them. It was aimed at

business in general, but there may be some interest in tailoring it for tourism.

**Ontario Northern Economic Development Corporation (ONEDC)** is a partnership of 5 major cities in Northern Ontario that actively shares information and works on project based initiatives, participating in quarterly meetings. As an incorporated not-for-profit organization, ONEDC has no permanent staff, and the finances are managed through Tourism Sault Ste. Marie. At this time there is no investment attraction piece for tourism.

### 3.5 Conclusions

Table 3-1 provides a summary of the approaches, roles and services, and types of investment financing available through key agencies in Ontario at the Federal, Provincial and local/regional level. Although IDO is the lead organization mandated to attract tourism investment in Ontario, the focus is primarily on generating international leads, and most of these are directed to Southern Ontario. In Northern Ontario, FedNor and MNM are both active in the tourism sector; however, investment financing and advisory services are provided in a largely reactive manner – wherein potential investors approach these organizations, or are directed to them, as opposed to FedNor and MNM actively generating investment opportunities in the North. Other organizations such as the OMAFRA and BDC are also reactive but have funding available, while NOTO actively advocates for the industry and assists in writing grants but offers no direct financing.

If applying for funding opportunities, many of the larger funding agencies do provide support for grant applications, and concept development, yet the majority of capital investment is provided at the community level (i.e. directly to the municipalities). Organizations like FedNor, for example, tend to look for opportunities where their



investment will be catalyst for a community to move forward recognizing tourism as a key economic generator.

This leaves the EDOs and Tourism Managers across Northern Ontario, many of whom are on the front line generating investment for their communities, but are doing so individually. For larger municipalities,

tourism related investment attraction is often directed towards major infrastructure development, such as the Thunder Bay Waterfront. There appears to be a gap in terms of resources for smaller investments in Northern Ontario. Until municipalities get a strong business case for a large-scale investor, it is difficult to engage existing funding agencies.

TABLE 3-1 SUMMARY OF APPROACHES, ROLES AND FUNDING AVAILABLE FOR TOURISM INVESTMENT IN ONTARIO							
	FedNor / Industry Canada	BDC	MTCS - IDO	MNDM (NOHFC)	OMFRA	EDOs / Tourism Managers	NOTO
Scope	Federal	Federal	Provincial	Provincial	Provincial	Local	Regional
<b>Investment Approach</b>							
Proactive			x - International			x	
Reactive	x	x	x - Domestic leads	x	X	x	x
Tourism Mandate?	Yes	Yes (in part)	Yes (LEAD)	Yes	No (indirect)	Varies by community	Yes
<b>Roles and Services</b>							
Collaboration & Information Sharing with other organizations			x	Not tourism specific	Not tourism specific		x
Identify Investment Opportunities			x			varies	
Due Diligence						varies	
Site Visits & Site Selection			x			varies	
Generate Investment Leads			x				
Hosting Investment Forums			x				
Grant Writing Assistance	x					varies	x
Advisory Services	x	x	x	x	x	varies	
Assist in Identifying Regulatory Requirements			x		x	varies	x
Business Tool Development/Training	x	x	x	x	x	varies	x
Advocacy							x
<b>Investment Financing</b>							
Funding Vehicles	CIINO, FedNor Grants, CFDC Loans	BDC Loans	TDF	NOHFC	RED minor rehabilitation	Community Incentives	
Development / Capital	x	x		x		varies	
Capacity Building	x	x		x	X		
Research / Business Planning	x		x	x	X		
Operational		x					

## 4.0 LOCAL ECONOMIC DEVELOPMENT / TOURISM STAKEHOLDER INPUT

### 4.1 Introduction

The following section focuses specifically on what is happening from a tourism investment standpoint at the local level within Northern Ontario communities, and what role these organizations see for TNO in terms of its potential support. In doing so, PKF developed an online survey for distribution to professionals in economic development organizations across Northern Ontario.

The survey was made available via weblink on October 7, 2014 and closed on October 17, 2014. A total of 61 economic development professionals were contacted via email and 25 completed surveys were received.

What follows is a summary of information received from the survey process. The views expressed in this section of the report do not reflect the views and opinions of the consulting team. The names of the individual participants are excluded to respect the privacy of the individuals and their opinions. The intent of this section is to present a transcript of the views expressed through the online survey.

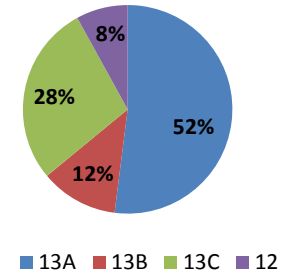
The information obtained from these consultations will be used, together with other research, to help develop the overall suite of actions, recommended goals and objectives, and other aspects of the Tourism Investment Attraction Strategy. PKF Consulting is not responsible for comments provided to us and reproduced in this document. Further, we do not warrant the accuracy of any information provided to us during the consultation.

### 4.2 Online Survey Results

#### Respondent Origin

- 52% of respondents originated from Northeastern Ontario (13A).
- 8% were from Region 12, and were included in our analysis as FedNor recognizes this area as part of Northern Ontario.

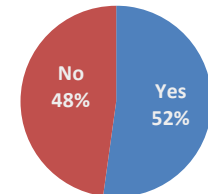
#### Respondent Organization Origin (n=25)



#### Resources Available for Tourism

- Almost 9-in-10 respondents (88%) represented communities wherein tourism was considered a core economic generator.
- 88% of respondents have an Economic Development Office.
- For those communities with an economic development mandate, 82% include tourism
- Only 52% of communities polled have a dedicated budget for tourism.
- Without a dedicated budget for tourism-related services and initiatives, funding is provided by the following sources:
  - Grants and loans from MNM, CFDC, BDC, NADF;
  - Chamber of Commerce;
  - NADF loan fund;

#### Communities with Dedicated Budget for Tourism (n=23)



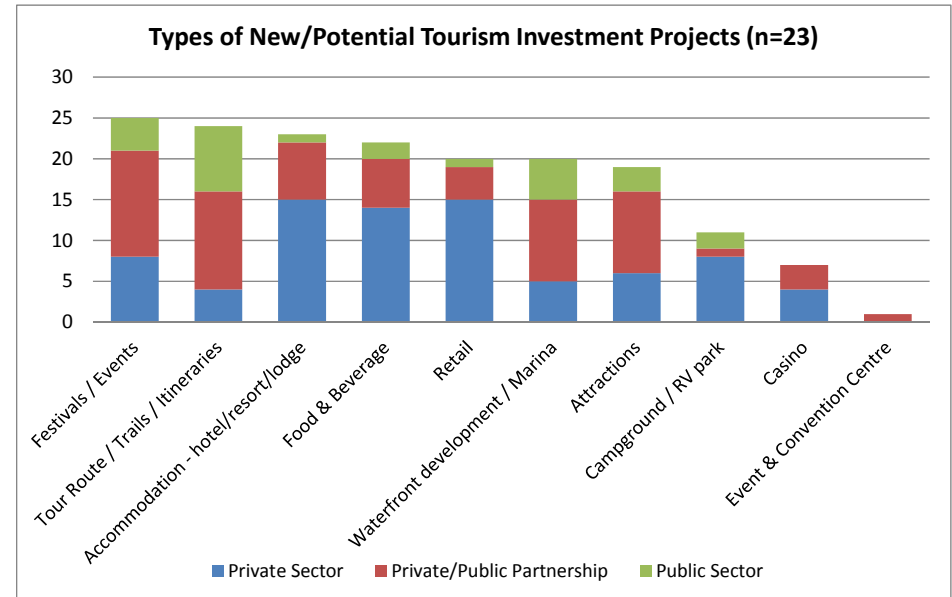
- Municipal budget allocation separate from economic development (e.g. community development);
- Private sector;
- Municipally-appointed committee that acts in an advisory role on economic development matter.

### Attracting Tourism Investment

- About **83% of respondents indicated that they are actively seeking new tourism investment in their respective communities.**
- 61% had specifically participated in the Ministry of Northern Development and Mines' (MNDM) Northern Community Investment Readiness (NCIR) program.

### Types of New Tourism-related Projects Needing Investment by Type of Proponent

- Overall a total of 10 different types of tourism investment projects were identified, the most popular of which were Festivals & Events.
- Many projects have more than one type of proponent, but 46% of all projects had a private sector proponent, while only 15% involved public sector agencies.
- Private sector proponents were most prevalent in: Accommodation, Food & Beverage, Retail, Campground/RV and Casino projects.
- Public/private partnerships were most prevalent in projects relating to: Festivals & Events, Tour Routes/Trails/Itineraries, Waterfront/Marina developments, Attractions and Event & Convention Centres.



### Services for New Tourism Investors

- The most prevalent services offered to new & potential investors in the tourism sector include: access to capital or financing support, and research on the community and its economy.



- 46% of respondents maintain a database of available sites and/or tourism-related businesses for sale.
- The most frequently used vehicles used by potential investors to contact respondents include:
  - Municipal website, Economic development office website
  - Social Media
  - Telephone
  - Word of mouth
  - Walk-ins
  - Realtor referrals
  - Referrals from other organizations (e.g. EDCO, CFDC)
  - Band offices
  - Conference meetings
  - Advertisements
- As with new/potential investors, access to financing is the most prevalent issue for existing tourism operators (87% of respondents).

- Training in the hospitality industry is vital;
- Hospitality operators, the community and stakeholders must be aware of the benefits of tourism (advocacy and education);
- Finding/retaining employees;
- Large geography, low population and lack of tourism related infrastructure are all barriers to investment;
- Limited passenger tour train service;
- Transportation costs and permits;
- Lack of regional tourism businesses working together;
- Northern Ontario has not had dedicated "Tourism Consultants" with financing programs that enabled them to work with small operators to help grow their businesses through capital expansions, marketing, or even the sale of their business; and
- Limited regional marketing cooperation/partnerships.

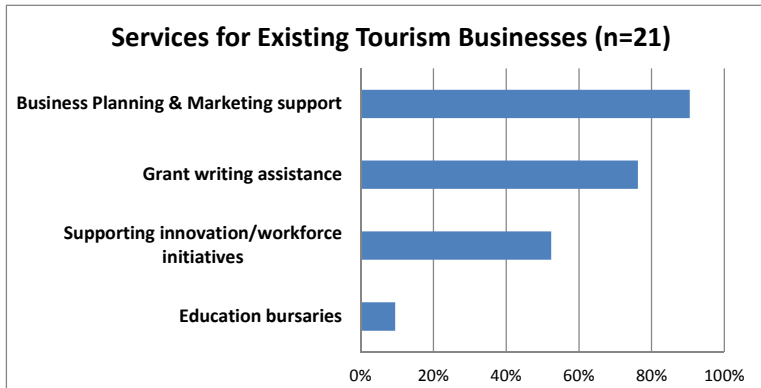
### Tourism Stakeholder Issues

- The following concerns were also voiced with respect to industry stakeholder issues:
  - Lack of entrepreneurs adapting to changing travel preferences;
  - Sector slow to adopt new technologies and business models;
  - Government lacks the vision to establish basic tourism services i.e. highway washrooms, snowmobile trail, rest areas, tourist attraction etc.
  - Need to work on changing culture of resource-based communities, which have typically not put tourism high on their priority list;

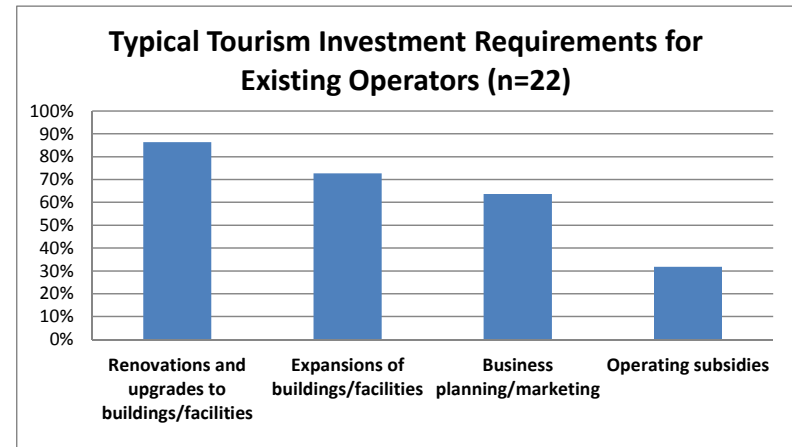


### Services for Existing Tourism Businesses

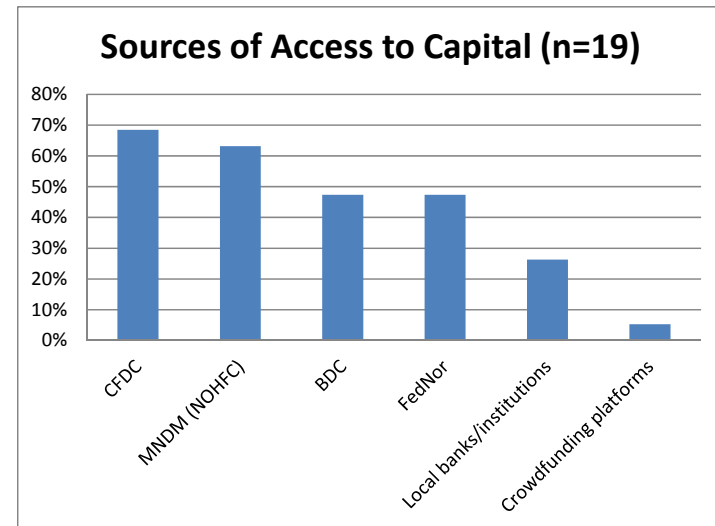
- In addition to services for New Investors, Business Planning and Marketing support was identified as a key service for existing businesses by 81% of respondents, followed by grant writing assistance (76%).



- For clients looking for access to financing, the most prevalent projects were renovations and upgrades to existing buildings (86% of respondents), followed by expansions (73%).

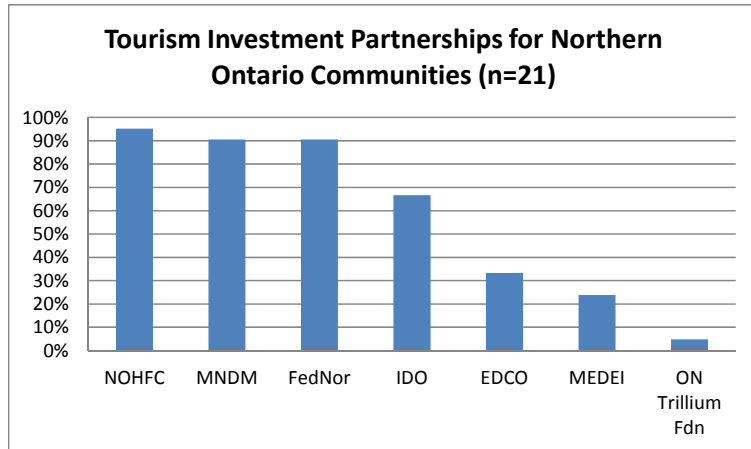


- Operators looking for access to capital are typically directed to CFDCs (68% of respondents) and MNDM (63%), along with BDC and FedNor (47% respectively).



### EDO Partnerships on Tourism Investment Related Initiatives

- Most respondents partner on investment attraction related initiatives with NOHFC (95%), MNMNDM (91%) and FedNor (91%).



### Role of TNO to Assist Organizations Driving Tourism Investment in Northern Ontario

- Prior to the survey, 87% of respondents were familiar with TNO.
- The following is a list of suggestions regarding **TNO's potential role with respect to Tourism Investment Attraction**:
  - Organize manageable regional meetings that include both the private and public sectors.
  - Collection of applicable data/research that would assist private operators in understanding market trends, so as to determine where investment would be best used.
  - Advocacy role in dealing with government to bring back Tourism Consultants and finance programs for small operators, and communicating policy changes.

- Training to understand the difference between Tourism Investment Attraction (hotels, large attractions) and Product Development (smaller operators looking to expand existing operations or build new experiences in a rural or boutique context), and to understand what role each of us plays, would be crucial.
- Support our efforts in convincing the Ministry of Transportation and other provincial ministries that they need to invest in the tourism industry.
- Providing funding for local member organizations to undertake projects that do not qualify under other funding agencies.
- TNO should only play a facilitation role as a communication and funding liaison. TNO should not put itself in a position where TNO undertakes projects that cripple local communities' ability to leverage funds and implement priorities.
- Keeping database of available opportunities & potential investors, and assist with matching investors to opportunity market research re: feasibility of projects.
- Referring aboriginal firms to our services.
- Creating a tourism funding guide with best practices and success stories to reference.
- Communication, cooperation and collaboration.
- Training in what is available for marketing, advertising and promotion.
- Providing funding and support for Tourism Investment Attraction projects.
- Information Studies.
- Make sure the government is aware of Northern Ontario opportunities.
- Virtual training opportunities.
- Cross RTO initiatives (i.e. RTO13 and RTO12).

### 4.3 Additional Survey Analysis

In an effort to determine whether the results of the local economic development/tourism stakeholder survey were impacted by the origin of the respondent, PKF filtered the results into two groups – 1) Major Cities and 2) Smaller Communities/Municipalities and conducted additional analysis.

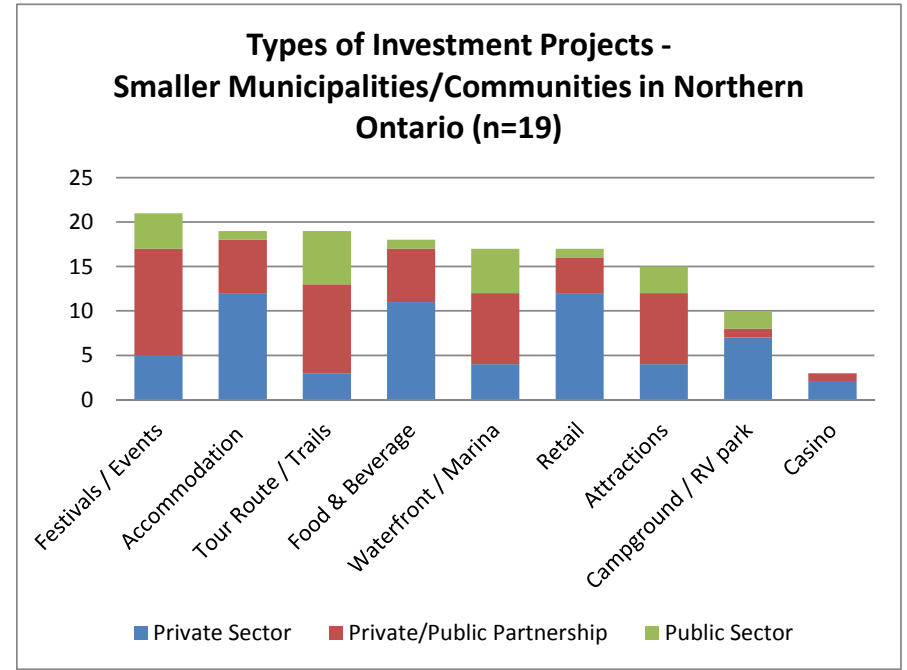
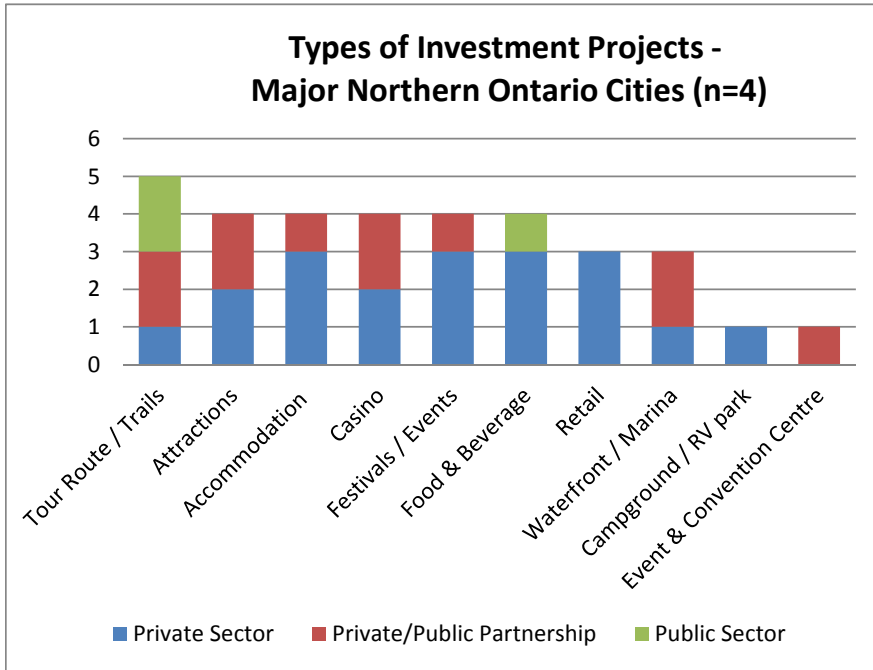
The Major Cities group consisted of Northern Ontario cities with over 15,000 people, who are also members of Ontario's North Economic Development Corporation (ONEDC), including: Sudbury, North Bay, Timmins, Thunder Bay and Sault Ste. Marie. Representatives of four of the five cities participated in the survey. The remaining Smaller Communities/Municipalities represented a range of municipalities, regional economic development entities and First Nation communities.

On the whole, the results of PKF's analysis yielded very similar results between the two groups, particularly with respect to types of potential tourism investment projects, services for both new tourism investors and existing operators, and typical tourism stakeholder issues.

Where the major differentiation lay was in the typical tourism investment requirements for existing operators. Within the Major Cities group, the most prevalent projects requiring funding were business planning and new marketing initiatives. In comparison, clients looking for access to financing in Smaller Communities/Municipalities were predominantly looking for renovations and upgrades to existing buildings. The larger cities – also representatives of ONEDC – were therefore more apt to seek new sources of investment for their businesses, as opposed to capital for physical expansions or renovations. As such, TNO could consider leveraging its relationship

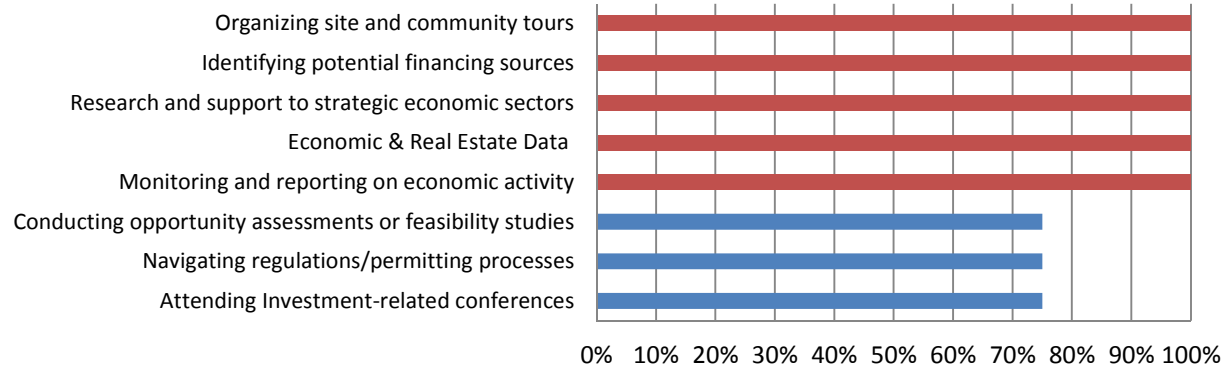
with ONEDC to build stronger connections with the investment community looking for Northern Ontario opportunities.

The following charts provide a visual interpretation of the results from this additional analysis between Major Cities and Smaller Communities/Municipalities in Northern Ontario.

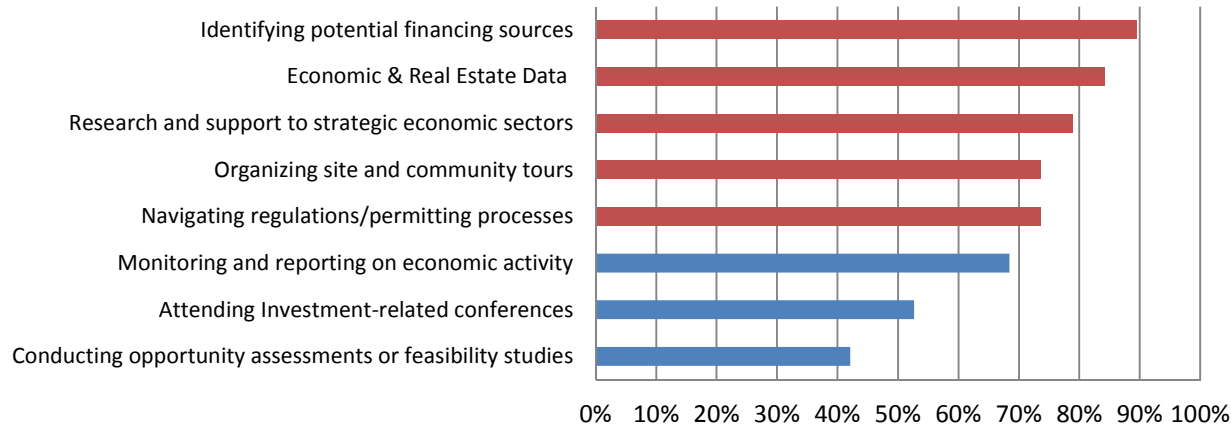


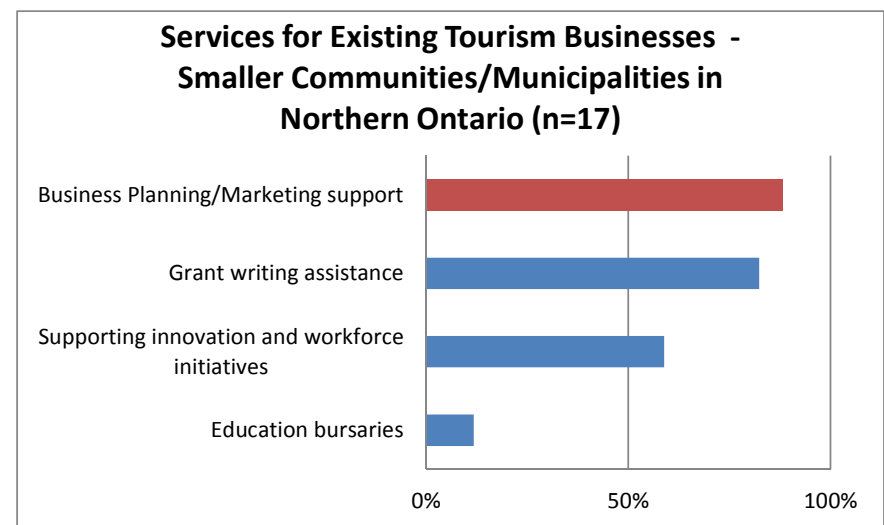
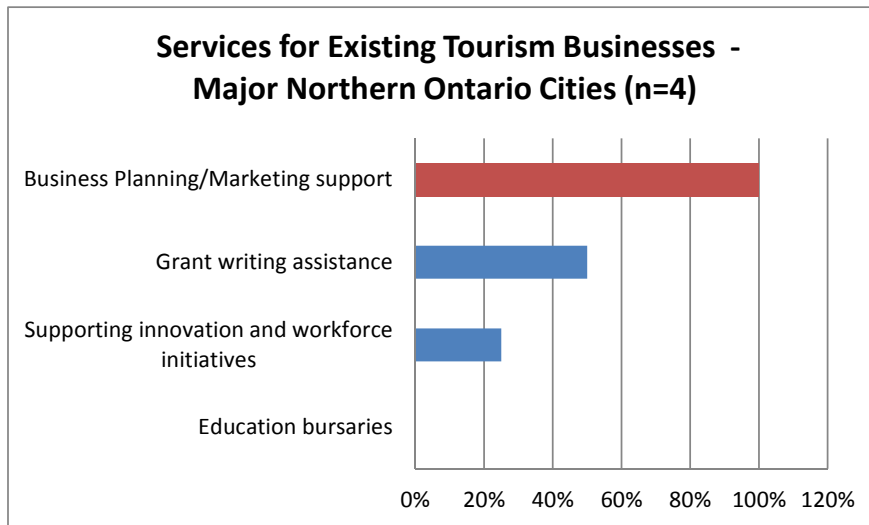
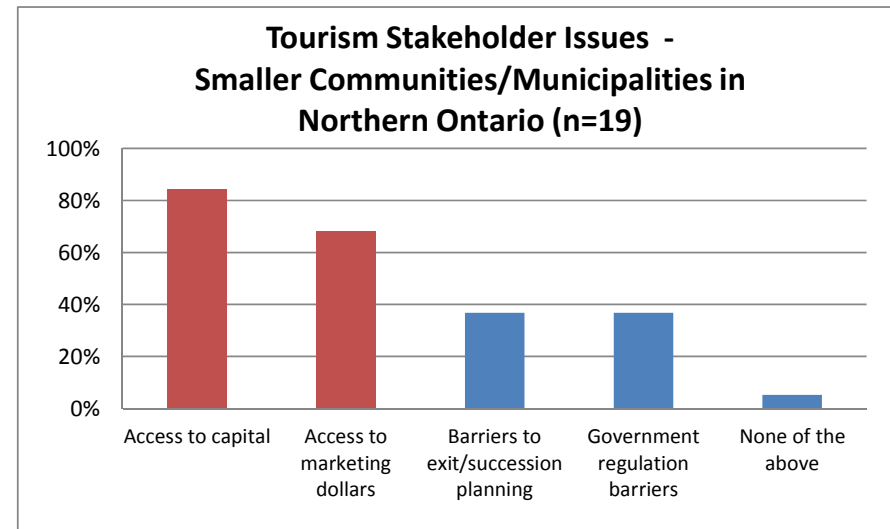
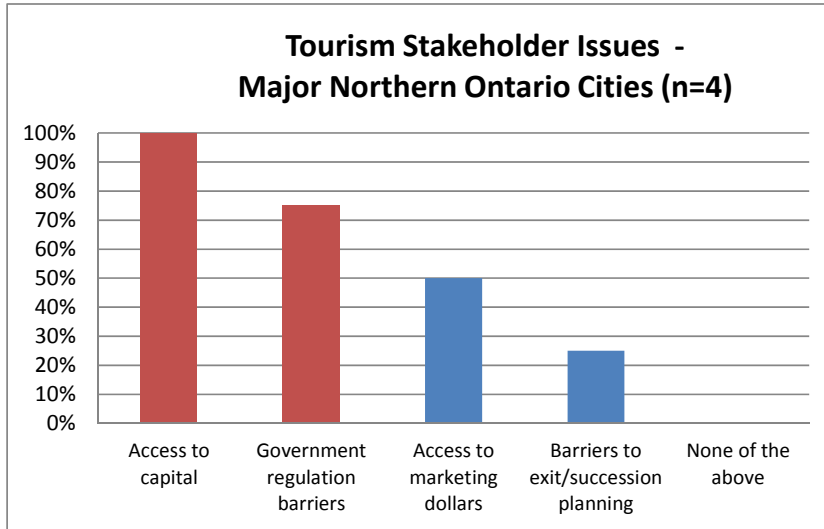


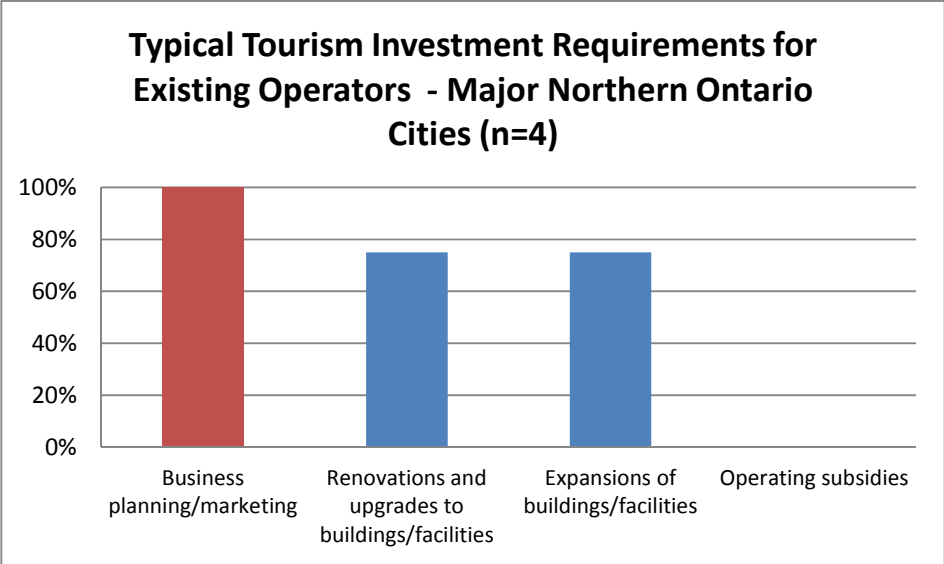
### Services for New/Potential Tourism Investors - Major Northern Ontario Cities (n=4)

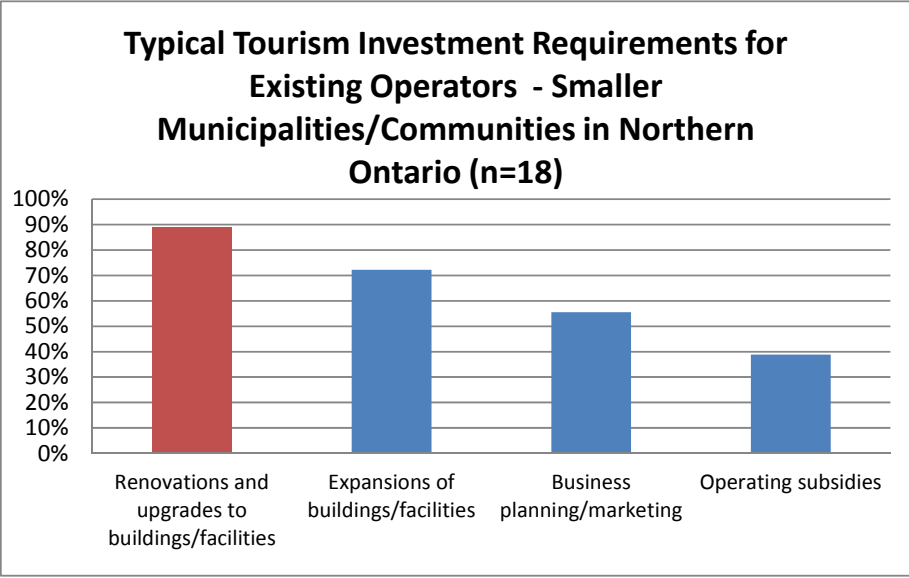


### Services for New/Potential Tourism Investors - Smaller Communities/Municipalities in Northern Ontario (n=19)









## 5.0 COMPARABLE ANALYSIS

### 5.1 Introduction

In order to get a better appreciation of TNO's potential role and identify a realistic scope of best bet activities over the next 5 years, PKF conducted an analysis of investment attraction initiatives being implemented by other comparable organizations, using a combination of telephone interviews and secondary research. The following section provides a discussion of those initiatives that may assist in the development of appropriate strategic directions for TNO.

### 5.2 Other Ontario RTOs

Based on website information, documentation and brief discussions with representatives of several Ontario RTOs, it was determined that the Investment Attraction role at other RTOs is minimal and primarily related to information sharing and/or acting as a resource for potential investors. Budgets toward Investment Attraction initiatives are also kept very low.

The following is a sample of strategic directions and initiatives identified by other RTOs.

#### 5.2.1 Southwest Ontario Tourism Corporation - SWOTC (RTO1)

Ontario's Southwest Board and Staff conducted a review and update of their strategy for the 2014/15 fiscal year (April 1, 2014 to March 31, 2015) in the Fall of 2013. SWOTC's most recent **3-Year Strategy**, which was approved in December 2013, is driven by an overall goal to profitably grow visitor spending in Ontario's southwest. The Strategy identifies the following Strategic Goal related to Investment Attraction:

*Develop partnerships with corporations and agencies to enhance bridges between investors and regional business opportunities to increase investment in region.*

Key Objectives for SWOTC to achieve this goal include:

- Determine investment information and tools needed by Business Improvement Associations (BIAs), Economic Development Organizations/Offices (EDOs), etc, and then source speakers, research, etc.; and
- Inform potential investors of tourism investment opportunities.

Relevant initiatives identified include:

- Determine investment readiness and investment potential;
- Leverage Economic Development Council of Ontario;
- Include opportunities in industry newsletter and/or corporate website; and
- Set a course for water-based tourism development and investment in Southwest Ontario.

With respect to measuring success, SWOTC includes a caveat in their 3-Year Strategy identifying the need to integrate the new performance measures for Regional Tourism Organizations (RTOs) being introduced by the Ontario Ministry of Tourism, Culture and Sport (MTCS) effective April 1, 2014. With respect to Investment Attraction, the common performance measure recommended by MTCS is "change in the number of outreach activities made to community and economic development organizations."

## 5.2.2 The Tourism Partnership of Niagara - TPN (RTO2)

In its combined **3-Year Strategy and 2014/15 Business Plan**, TPN recognizes the importance of effective partnerships in order to maximize collective resources and deliver its strategy.

For The Tourism Partnership of Niagara, the Strategic Goal related to Investment Attraction is:

***To increase investment in the tourism industry to enhance the visitor experience.***

The Plan identifies that the strategy for achieving this goal is one of **Access** – as in working with government, industry and community groups to improve access to and within the region. Key Tactics for RTO2 to achieve this goal include:

- Advocate for infrastructure improvements to benefit tourism including air, rail, roads, and cycling routes.
- Create key messages and share with partners to enlist help in advocating for improvements.

Relevant Initiatives include:

- Develop a communications strategy about the need for improved transportation to Niagara.
- Continue to be involved in discussions with Niagara District Airport regarding scheduled passenger service.
- Work with governments to improve rail service.
- Work with regional government to improve cycling routes.

RTO2 also identifies performance measures related to these initiatives, including:

- Change in the number of outreach activities made to community and economic development organizations.
- Participate in meetings to keep abreast of transportation issues.

## 5.2.3 Hamilton Halton Brant Regional Tourism Association – HHBRTA (RTO3)

HHBRTA's management and Board decided to narrow the scope of their focus to Product Development and Workforce Development. One of the concerns being that HHBRTA does not manage the assets in Region 3. As such, the RTO acts as a facilitator for information, and any tourism investment related activities are directly related to product development initiatives.

Within the **2011-2013 Three-Year Strategic Plan**, HHBRTA set the goal of maximizing the organization's investment potential by:

***Creating an environment to encourage new investment attraction and retention.***

No budget was allocated to promote the region to attract new investment as part of that Plan, and as such the organization does not actively pursue opportunities. However, if approached, they have been willing to assist a municipality.

For the 2014/15 fiscal year, HHBRTA is actively involved in Pan Am/Para Pan Am Games initiatives, as well as identification and participation in Pan-RTO collaboration efforts, such as: Grand River product development initiatives that involve RTO3, RTO4 and RTO1. HHBRTA investments are expected to come from its core budget and by working with industry partners. A high level Action Plan has been developed with the input of partners from municipalities with Games facilities

(Hamilton and Milton), and area tourism organizations and stakeholders.

HHBRTA has been actively involved in disseminating information on the Pan Am Games, and in April 2014, the HHBRTA hosted the 2015 Pan Am Symposium at the Royal Botanical Gardens. About 200 stakeholders, industry members, and guests were in attendance, and were provided with the *Pan Am/Parapan Am Games: Exploring the tourism opportunities for The Heart of Ontario* handbook.

#### 5.2.4 Central Counties Tourism – CCT (RTO6)

In Central Counties Tourism’s original **Strategic Plan** (2011), Investment Attraction was given a suggested budget allocation of 5% of total MTCS funding. It was generally determined that CCT should play a **supportive role** in investment attraction, identifying and supporting the development of tourism products and infrastructure. Thus, the primary Strategic Goal under this pillar was to:

***Assist public and private sector stakeholders in their efforts to expand tourism infrastructure and products throughout the region.***

The objectives set to meet this goal were:

- Support investment attraction: Identify and support the development of high priority tourism products and infrastructure investment that provide a sustainable competitive advantage to the tourism sector; and
- Utilize information resources of Central Counties Tourism to support investment attraction efforts by the public and private sector.

**CCT’s Business and Operational Plan for 2014-2015** identifies a key learning that many operators within the region are either not tourism-ready or do not believe they are in the tourism business. To that end, CCT contracted Experience Development Specialists to engage operators and educate them about the importance of tourism and services provided by CCT. Furthermore, the organization realized that working with operators to improve their experiences, and creating a critical mass of operators for experiences, is a very important objective moving forward. In terms of human and financial resources, the budget for Product Development was increased in 2014/15 to 27%, while Investment Attraction was reduced to 1%.

Investment Attraction is identified as “the responsibility of the Executive Director.” Building on this revised budget and the strategic goals for Investment Attraction in the 2011 Strategic Plan, the 2014/15 operational goal was revised to be much more reactive and largely tied to product development, as follows:

***Enhance the Visitor Experience by establishing a tourism-focused culture of hospitality and service excellence throughout the region.***

The following were listed as objectives under this operational goal:

- Assist public and private sector stakeholders in their efforts to expand tourism infrastructure and products throughout the region;
- Identify and support the development of high priority tourism products and infrastructure investment that provide a sustainable competitive advantage to the tourism sector;
- Utilize information resources of Central Counties Tourism to support investment attraction efforts by the public and private sector; and

- Where appropriate, leverage partnership funds to support investment attractions opportunities.

### 5.2.5 Explorers' Edge (RTO12)

As an RTO, Explorers' Edge has kept to its mandate of identifying where the gaps lie with DMO activity in Region 12, and allocating resources accordingly. Like the other RTOs mentioned, the lion's share of budget is still allocated to Marketing, but they have also focused heavily on research.

In the **RTO12 Destination Development Plan – 2014-2017**, the organization identifies that it is undergoing transition from “start-up mode” to a new phase with a focus on strategic collaborations and leveraging significant partnerships. Furthermore, the new focus is that of “moving beyond an industry-centric approach to a consumer-centric approach where the consumer is key.”

Over the next 3 years, one of the 5 strategic priorities for RTO12 includes an: ***Investment Attraction Strategy***, wherein the goal is:

***Collaborating to make use of the Northern Ontario incentive grant/loan program and working closely with existing economic development agencies and OMTCS.***

2014-2017 Investment Attraction priorities for Explorers' Edge include the following:

- Continue to develop and strengthen economic development links.
- Explore a strategy for attracting unique investment that will differentiate the region within the province.

Initiatives to meet these objectives include the following:

- Collaborate to optimize use of the Northern Ontario incentive grant/loan program.
- Continue to respond to investment overtures as required (working closely with economic development organizations in the RTO area).
- Continue to liaise closely with existing economic development agencies and Ministry.

In monitoring their investment attraction performance, RTO12 is involved in regular Community Relations Committee Meetings and presentations to various Economic Development agencies, and has been working in partnership with FedNor on optimizing its use of Northern Ontario grant programs.

### 5.3 Alberta Tourism, Parks and Recreation

Under the Alberta provincial umbrella of tourism, there are a number of organizations that tend to work in silos. To that end, Alberta's Ministry of Tourism, Parks and Recreation (ATPR) and Travel Alberta joined forces to create *A Pathway to Growth: Alberta's Tourism Framework (2013-2020)*, thereby using coordinated leadership to enhance provincial tourism experiences. The Framework is focused on aligning Alberta's tourism system and all its parts to create value for the traveller, and recognizes the important role that access to capital plays in supporting Alberta's communities to diversify their economies through tourism.

Five Strategic Priorities were developed for this Framework, including:

1. Innovation and Development



2. Accessibility
3. Marketing
4. Alignment
5. Research

Under Priority #1 – **Innovation and Development**, the framework lists the following key objectives:

- To identify existing and new high priority areas for tourism development on Crown lands, in support of regional planning and streamline supporting policies.
- To identify specific areas and align approval processes, infrastructure support, marketing support and other elements to stimulate private sector development.
- To work with all 3 levels of government to remove barriers and enable public and private sector infrastructure development to high potential tourism development areas.
- To assist operators to obtain support to upgrade their businesses and advice new operators on startup support.
- To work with tourism investors, financial organizations, governments and tourism operators to address issues and implement changes.

One of the ATPR initiatives underway in this priority area are **Tourism Investment Forums**, which feature projects from across the province, and helps municipalities and local investors to build connections. The Forum is free to invited guests, and benefits include: access to a large number of tourism investors/developers, a tourism investment opportunities booklet, and long-range networking opportunities. ATPR continues to tighten the focus on high quality opportunities. In 2011, opportunities ranged from \$1 Million to \$10 Million, and included such developments as: a branded limited-service hotel, campground and one ski resort. Today, the government produces a lure piece entitled *Joint*

*Venture Investment Opportunities – Invest in Alberta’s Tourism Industry* that highlights specific investment opportunities, including the description, location, key personnel, value and contact information for each opportunity. This piece is mailed out to investor contacts up to 1 month in advance of the Investment Forum. Alberta Tourism, Parks and Recreation also runs ads in 2 newspapers in Edmonton and Calgary, and several newsletters. The latest Forum was hosted in November 2014.

At a broader level, ATPR leads outbound missions to encourage joint venture investment with established tourism operators. Alberta’s **main investment opportunities for tourism typically focus on large urban and mixed use opportunities, particularly on Crown lands, and private sector led initiatives**. ATPR actively selects the highest potential destination nodes and helps to focus development efforts on those lands, fosters domestic and international niche product development, and sustainable tourism development. ATPR also monitors potential joint ventures and makes the effort to maintain relationships with international investors, ensuring due diligence is conducted. The organization attempts to influence policy where possible, and focuses on opportunities that involve environmentally sustainable resources, but they also focus on investments that involve long leases (25 years +) and bricks and mortar-based initiatives (as opposed to packaging or itinerary development).

Under the strategic priority of **Alignment**, Alberta’s Tourism Framework calls for a coordinated approach to the access and delivery of tourism development and marketing services. This includes telephone and web resources supported by a comprehensive database of programs, organizations, educational institutions and online resources to assist industry. To this end, a Communications campaign has been underway, to raise awareness and support for the importance of tourism across Alberta.

Finally, the last strategic priority of *Alberta's Tourism Framework* is **Research**. Under this priority, one of the key objectives is providing Tourism organizations access to innovative dashboard data on current, comparative and historic tourism performance.

As an indication of how ATPR's strategies are impacting the province, overall capital investment in Alberta rose 9% in 2013 over 2012, and in 2014, the one of the strongest growing sectors is expected to be arts, entertainment and recreation (increase of 23%)<sup>5</sup>. As of August 2014, ATPR has awarded grants totaling \$431,000 to 8 organizations on unique initiatives to grow Alberta's tourism.

## 5.4 Conclusions

Table 5-1 provides a summary of approaches and services offered at comparable organizations, which in turn has been used to identify potential roles that TNO could play with respect to Investment Attraction going forward.

As the lead agency in charge of Tourism Investment Attraction in Alberta, ATPR takes a **proactive approach**, but offers a lot of insight into best practices for an established organization. For instance, this organization actively works to break down barriers to access to capital, by identifying high priority sites, identifying regulatory requirements, and providing business tools for both new and existing investors. A key tool that has been very successful for ATPR is the hosting of Tourism Investment Forums for municipalities and prospective investors to network and engage on specific opportunities.

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<sup>5</sup> *Business in Alberta – Investment. September 2014*  
(<http://economicdashboard.albertacanada.com/Investment>).

The 5 Ontario RTOs assessed for the subject study all take a **reactive approach** to investment attraction, playing a primarily supporting role to potential investors or operators looking to re-invest. The most common services are:

- Leveraging the organization's relationship with EDCO and other economic development agencies;
- Leveraging partnership Program funds available through MTCS;
- Communication and information sharing with the industry (which includes disseminating research on investment opportunities);
- Identifying investment tool requirements for stakeholders; and
- Assisting stakeholders to identify their investment potential.

TNO has the potential to learn from other comparable organizations, and leverage existing relationships with the many EDOs and tourism organizations active in Northern Ontario. TNO has also already worked with Explorers' Edge (RTO12) to leverage FedNor funding for research into ACOA's VISIT program and its potential for Northern Ontario. There may be other opportunities for collaboration that could benefit both RTOs, particularly from a business investment standpoint. An awareness of what is going on elsewhere in Ontario and specifically Northern Ontario is thus an extremely useful tool.

**TABLE 5-1  
SUMMARY OF APPROACHES, ROLES AND SERVICES OFFERED AT COMPARABLE ORGANIZATIONS**

	SWOTC - RTO1	TPN - RTO2	HHBRTA - RTO3	CCT - RTO6	Explorers' Edge - RTO12	Alberta Tourism, Parks & Recreation
<b>Investment Approach</b>						
Proactive						x
Reactive	x	x	x	x	x	x
<b>Investment Attraction Goal</b>	<i>Develop partnerships with corporations and agencies to enhance bridges between investors and regional business opportunities to increase investment in region.</i>	<i>To increase investment in the tourism industry to enhance the visitor experience.</i>	<i>Creating an environment to encourage new investment attraction and retention.</i>	<i>Enhance the Visitor Experience by establishing a tourism-focused culture of hospitality and service excellence throughout the region.</i>	<i>Collaborating to make use of the N. Ontario incentive grant/loan program and working closely with existing economic development agencies &amp; MTCS.</i>	<i>To align Alberta's tourism system and all its parts to create value for the traveller; recognizing the important role that access to capital plays in supporting Alberta's communities to diversify their economies through tourism.</i>
<b>Roles and Services</b>	<b>Supportive</b>	<b>Supportive</b>	<b>Supportive</b>	<b>Supportive</b>	<b>Supportive</b>	<b>Lead Agency</b>
Leveraging Relationship with EDCO and other Economic Development Agencies	x	x			x	
Leveraging relationship with IDO					x	
Leverage Partnership Program Funds				x	x	
Developing Partnerships with other RTOs			x			
Communication/Information Sharing with Industry	x	x	x	x		x
Assist in Identifying Investment Potential	x			x	x	x
Identifying Investment Tool Requirements	x					x
Business Tool Development/Training						x
Advocacy		x				
Identify Investment Opportunities						x
Collaboration & Information Sharing with other Government Agencies						x
Due Diligence						
Site Visits & Site Selection						x
Generate Investment Leads						x
Hosting Investment Forums						x
Grant Writing Assistance						
Advisory Services						x
Assist in Identifying Regulatory Requirements						x

## 6.0 BUILDING THE TOURISM INVESTMENT ATTRACTION STRATEGIC FRAMEWORK

### 6.1 Introduction

As identified in Section 2 of this report, there has been a significant decline in both capital investment and total number of businesses operating in Northern Ontario's tourism sector since 2008. Nevertheless, tourism remains one of the largest economic generators in the region; with 1-in-every-4 businesses in Northern Ontario considered to be tourism-related, of which 25% are accommodations or recreation/entertainment establishments. TNO has agreed that a shift towards leading with products/experiences is required in order to bring larger and higher yield visitor markets to the area. To do so will require breaking down the barriers that are preventing tourism stakeholders from gaining access to the appropriate sources of funding they require, successfully acquiring tourism investment, and growing their businesses.

Consequently, in order to build a strong and empowered Northern Ontario tourism sector, in conjunction with TNO's vision, it will be necessary to develop a strategy to attract more investment to the Region. The following section summarizes key findings, best practices and strategic considerations for the development of a Tourism Investment Attraction Strategy for Northern Ontario.

### 6.2 Foundation for the Tourism Investment Attraction in Northern Ontario

Investment attraction and development is often confused with product development. Although the two are closely linked, the difference lies primarily in the source and level of funding involved. Product development is typically about building on or clustering existing products and experiences, while investment attraction involves the act of securing investment that is new to the municipality. However, investment attraction is also an underlying mechanism for achieving product development goals.

Currently in Northern Ontario, TNO is actively involved in implementing an "experience" and "quality" shift in relation to product development. Doing so may require investment attraction. As such, from a strategic standpoint, it is important to define what is involved in tourism investment attraction for Northern Ontario and the investment community that needs to be supported.

In developing a Tourism Investment Attraction Strategy for Northern Ontario, consideration must first be given to defining the types of tourism investment that Northern Ontario would like to attract, and the role that TNO will provide in encouraging and supporting the various types of tourism investment. At the same time, consideration must also be given to the different players involved in the tourism investment community in order to define the role that TNO will offer in supporting them.

#### 6.2.1 Defining Investment Attraction

From a broad economic perspective, **investment attraction** entails securing new investment to a municipality/community. It entails

strategic identification of the best potential investment targets for a community, and then trying to get their attention through a number of direct and indirect ways.

**Investment retention** involves ensuring that a business and its jobs stay in the community, rather than leaving to another jurisdiction, and/or securing new investment from a source that is already in the community.

Both of these functions are largely the responsibility of the economic development office within a given community.

## 6.2.2 Defining Types of Tourism Investment

The project team began the study process by reviewing relevant documents (including: TNO's 2012-2015 Strategic Plan, 2014-2015 Business Plan, and 2012-2013 Annual Report, the TPA agreement with MTCS for 2014-2015, and MTCS' Regional Tourism Organizations Guide for 2014-2015), and working with the Steering Committee and TNO board to develop a **definition of tourism investment attraction**. The following definition was approved for the subject study:

***Working with private, OR private and public sector partners, to identify opportunities for new or existing tourism infrastructure investments with a revenue-generating component (e.g., business expansion or new business development).***

Thus, tourism investment involves structures and buildings, as opposed to packaged tours, tour routes, itineraries and special events.

With this definition in mind, our research has further divided this working definition into **two types of tourism investment**.

### 1) Business Enterprise Development Investment

Private and public/private businesses with a revenue generating component, including, but not necessarily limited to:

- Accommodations
- Destination Retail
- Foodservice
- Attractions
- Tour operators, outfitters, outdoor adventure operations
- Campgrounds & RV parks
- Casinos/gaming
- Marinas
- Golf courses
- Ski clubs

### 2) Community Development Investment

Public or public/private community infrastructure projects that include a tourism attraction component, such as:

- Waterfront redevelopments
- Festivals & events
- Multi-use community/recreation venues
- Transportation infrastructure (airports, bridges, roads, rail, water)
- Signage, wayfinding, visitor services
- Tour routes/trails/itineraries

Community Development Investments often lay the groundwork which leads to investment attraction, economic growth and tourism sector development.

The Strategy places priority on attracting Business Enterprise Development Investment particularly through business expansions and new business development, with a secondary and supportive role given to providing advisory services related to Community Development Investment.

### 6.2.3 Northern Ontario Investment Attraction Facilitators (Government and Communities)

Understanding the different types of tourism investment, and the role economic development plays in terms of attracting investment, is a specific function attributed to the role of tourism investment attraction.

As identified in the local economic development/tourism manager survey conducted for this study, there is often a gap in terms of appreciation and understanding of the tourism sector, and many communities do not have a tourism-specific mandate within their economic development office. Since it is difficult to define tourism as a sector, and development in the sector often requires government assistance, tourism may not always be given priority from a community investment standpoint. For example, attracting a hotel development should be considered a tourism investment, but may be viewed as a broader economic development initiative.

There are a large number of players involved in tourism investment attraction in Northern Ontario, including: economic development officers / alliances, local financial institutions, real estate brokers, tourism managers / destination marketing organizations, municipalities, etc.

Furthermore, it is recognized that the government plays a key role in tourism investment attraction for private sector partners. Over the past

six years, one-third of investment for Northern Ontario tourism products and infrastructure has stemmed from government sources.

### 6.2.4 Northern Ontario Tourism Investors

Within Northern Ontario, the types of investors supported by the investment attraction facilitators include:

- 1) Investors interested in Northern Ontario tourism opportunities;
- 2) Northern Ontario tourism operators who want to grow their businesses;
- 3) Northern Ontario communities that want to attract tourism investment; and
- 4) Northern Ontario tourism operators who want to sell their businesses.

## 6.3 Strategic Considerations

The study research and consultation has culminated with the identification of the following **6 key strategic considerations** for building a Tourism Investment Attraction Strategy for Northern Ontario.

### 1. Limited New Investment in Northern Ontario

While extensive property is available for investment in prime real estate areas, there is limited tourism investment coming to the north. Developers need to have a reason to make an investment in Northern Ontario. Any investor leads tend to come through the municipal level – and these are typically private sector entities building hotels.

The approach of most Northern Ontario government funding organizations is largely reactive in nature, as compared to other provincial entities like IDO, which is proactively seeking large scale investment in tourism for Ontario from international sources. However, IDO is focused primarily on Southern Ontario opportunities. Furthermore, existing promotional materials for investment rarely include tourism, and less frequently include opportunities in Northern Ontario.

Ideally, governments need to work together in the north – taking a “one government” approach, in order to attract investment at a larger scale in a coordinated manner.

## **2. Lack of General Recognition of Tourism as an Economic Driver**

Tourism is mentioned, but it is not prioritized within the Northern Ontario Growth Plan, and few entities are actively trying to make the case for tourism investment in Northern Ontario. Without field representatives from the Ministry of Tourism’s Investment Development Office working in Northern Ontario, the region is effectively missing from the Provincial investment table.

Even at the local municipal / community level, there is a general lack of understanding regarding the importance of tourism to the Northern Ontario economy, which could be addressed by appointing champions from across the region.

## **3. Gap in Tourism-related Data / Intelligence at the Local Level**

Most Northern Ontario economic development officers actively seek investment into specific community projects, and many provide tools to help navigate regulatory requirements and gain access to capital for

both new investors and existing operators. However, few of these local officers in smaller northern communities have either a mandate or budget specifically dedicated to tourism. Furthermore, general access to tourism-related data is lacking across the region.

There is a need for stronger advocacy on the importance of tourism to municipalities across the region, in order to improve access to local funding for tourism-related projects. Toolkits and data emphasizing the impact of tourism may be required.

## **4. Requirement for Government Partnerships in Tourism Investment**

There is a general need for the government to support smaller private sector projects in their investments in Northern Ontario. This need for private and public sector entities to obtain government funding for development initiatives (i.e. public-private partnerships) will continue to be required, due to major challenges related to a relatively small population located over a large geographic areas, with significant distance to major population clusters in Ontario and the US border states, as well as limited transportation and related tourism infrastructure. In addition to this need, the nature of federal and provincial government funding is largely limited to capital / capacity building primarily for non-profit entities, with any requirements for operating assistance left to local stakeholders and/or the municipalities.

In TIAO’s recent report on *Mapping Ontario’s Tourism Future*<sup>6</sup>, one of the recommendations related to tourism investment calls for the Province to:

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<sup>6</sup> *Mapping Ontario’s Tourism Future: A Five-Year Look Back at the Ontario Tourism Competitiveness Study*, TIAO, November 2014, pg. 8

- Redefine the objectives of existing (and any new) loan, grant and financial support programs to ensure alignment with the strategic plan. In particular:
  - a) Tie access to funds to one or more targets contained in the strategic plan, as well as a test of the reasonableness of such targets (e.g. an amount provided to support a festival designed to achieve an X% increase in visitors from a targeted geographic market);
  - b) Clarify the nature of the assistance (e.g. one-time to initiate/incubate an initiative versus ongoing support) and consistently apply the rules; and
  - c) Eliminate any perceived politicization of these programs by reviewing metrics to determine if the target or objective was met.

## 5. Barriers to Capital Access

Many corporate banks do not readily invest in tourism. There is a limited understanding of the investment development process across Northern Ontario, leading to missed deadlines and greater barriers to capital access from available resources. Financial resources are available at the Provincial and Federal levels; however, there are inconsistencies at the local level in terms of knowledge on how to access this funding. Furthermore, coordination between economic development officers and resources that link to potential investors is limited.

Knowledge of what programs are available and how to write qualified applications is something that could help to expedite interested applicants in reaching that required funding.

## 6. Challenges with Succession Planning / Re-investment in Existing Assets

Challenges with succession planning, particularly amongst hunting & fishing lodges and small motels, is very prevalent across the north. Operators often do not want to invest back into their properties if they expect to sell, yet lack of upkeep lowers the value of most properties. However, succession planning strategies and available options for exiting the industry are limited in the Region.

There may be an opportunity to partner with other industries and form a succession planning strategy that benefits all of Northern Ontario.

### 6.4 Summary

There are a number of gaps to be filled in order to attract tourism investment to Northern Ontario, and a variety of best practices at comparable organizations could be used to make this happen. One of the most prevalent issues is providing those facilitators to attraction investment with the tools they need to drive more investment to the north.

As an organization, TNO is actively working towards building a strong and empowered tourism sector – yet it is also understood that TNO does not have the capacity or appetite to undertake many of the strategic initiatives required to increase investment in Northern Ontario's tourism sector. As such, the Tourism Investment Strategy for Northern Ontario will be one that involves all TNO's partners and members of the tourism investment community.



## 7.0 Tourism Investment Attraction Strategy for Northern Ontario

### 7.1 Strategic Approach

The Tourism Investment Attraction Strategy for Northern Ontario involves an approach to attract and retain investment in Northern Ontario's tourism sector that will ultimately assist in building a strong and empowered tourism industry, and increasing visitation to the region.

The Strategy provides recommendations to address existing barriers to investment in Northern Ontario and other strategic considerations limiting enhancement of the sector, along with the relevant roles and responsibilities required to implement those recommendations. For each recommendation, "lead" roles and related responsibilities are defined, along with an indication of how TNO can provide a connecting role to support and encourage tourism investment, thereby making the case for tourism investment throughout Northern Ontario.

The ultimate goal of this strategy is to ensure the tourism investment community is being supported with the appropriate resources from Northern Ontario investment attraction facilitators, which involves generating an enhanced recognition of tourism as an economic generator across Northern Ontario.

### 7.2 Strategic Recommendations

The following **5-Point Strategic Action Plan** has been developed to attract and retain increased levels of investment in Northern Ontario's tourism industry. The five strategic recommendations are:

- 1. Enhance recognition of the tourism sector as an economic generator and key component of the Growth Plan for Northern Ontario.**
- 2. Make the Case for Tourism Investment Attraction in Northern Ontario.**
- 3. Build the bridge to connect Northern Ontario's Investment community partners with funding agencies and their resources.**
- 4. Assist stakeholders/investors to enable tourism business enterprise investment opportunities.**
- 5. Track performance and measure success.**

**RECOMMENDATION #1: Enhance Recognition of the Tourism Sector as an Economic Generator and Key Component of the Growth Plan for Northern Ontario**

Actions	Details	Lead Organization	Timeline
<p><b>1. Ensure ONEDC has tourism on its own agenda.</b></p>	<ul style="list-style-type: none"> <li>• Tourism was on the agenda for ONEDC’s meeting in December 2014 as a potential focal area for the group. This group should consider taking on regional economic development initiatives with a tourism focus on a project by project basis.</li> </ul>	<p><b>ONEDC</b></p>	<p><b>Year 1</b></p>
<p><b>2. Represent Northern Ontario’s tourism sector at the table with MNDM with respect to implementation of the Northern Ontario Growth Plan.</b></p>	<ul style="list-style-type: none"> <li>• ONEDC has been actively looking to improve the profile of economic development in the Growth Plan for Northern Ontario, and is meeting with MNDM to incorporate a tourism investment perspective in their discussions.</li> <li>• TNO to have direct representation at MNDM’s table to advocate for tourism initiatives within the Growth Plan, as part of the one government approach.</li> <li>• TNO to advocate for representation from the tourism and economic development community on the Board of NOHFC.</li> </ul>	<p><b>ONEDC, TNO</b></p>	<p><b>Year 1</b></p>

**RECOMMENDATION #2: Make the Case for Tourism Investment Attraction in Northern Ontario**

Actions	Details	Lead Organization	Timeline
<p><b>1. Acknowledge that government has a role in facilitating significant tourism investment</b></p>	<ul style="list-style-type: none"> <li>• Government funding sources are of key importance to private, public and public/private sector partnership investment in the north. For example, FedNor and NOHFC provide not-for-profit funding, while BDC, CFDC and NADF tend to provide sources of private sector loans.</li> <li>• TNO to advocate for continuation of funding programs and encourage discussion between funding partners to ensure programs are complementary and streamlined.</li> </ul>	<p><b>TNO</b></p>	<p><b>Year 1</b></p>
<p><b>2. Create a PowerPoint to be distributed to Northern Ontario Municipalities and Communities, and used as a toolkit to attract tourism investment.</b></p>	<ul style="list-style-type: none"> <li>• Building on data presented in this report and the Northern Communities Investment Readiness Test initiative, TNO to create a “tourism” specific regional profile (in PowerPoint) that includes key performance indicators of tourism, and points to its importance as an economic driver– for inclusion in municipal investment packages across the region. Key performance indicators could include: definition of tourism, type and nature of tourism businesses, tourism employment data, market trends, tourism demand generators, volume and value of tourism, key performance indicators (occupancy, ADR, attraction attendance, etc.) total capital funding for the sector, best practices and success stories, etc.</li> </ul>	<p><b>TNO</b></p>	<p><b>Year 1</b></p>
<p><b>3. Develop communication plan to disseminate importance of tourism investment.</b></p>	<ul style="list-style-type: none"> <li>• Establish a task force to develop a plan for training regarding the PowerPoint materials and accompanying timelines.</li> <li>• Sub-Regional Partners to assist by distributing the TNO investment attraction PowerPoint to regional municipalities and smaller communities. TNO Board members will also be encouraged to review the materials and act as ambassadors for tourism investment.</li> </ul>	<p><b>TNO / Sub-Regional partners / Board members</b></p>	<p><b>Year 1-2</b></p>
<p><b>4. Encourage education of the economic development community on tourism investment attraction opportunities</b></p>	<ul style="list-style-type: none"> <li>• TNO to put tourism investment on the agenda for Northern Ontario Tourism Summit, i.e. workshop on local initiatives to drive tourism investment.</li> <li>• TNO representatives to attend and present at NOMA and FONOM Annual Conferences on progress relating to regional tourism investment initiatives.</li> </ul>	<p><b>TNO</b></p>	<p><b>Year 1</b></p>

**RECOMMENDATION #3: Build the Bridge to Connect Northern Ontario’s Investment Community Partners with Funding Agencies and their Resources**

Actions	Details	Lead Organization	Timeline
<p><b>1. Set up a TNO working group to provide direction on rolling out this strategy and act as the primary connection to the economic development community.</b></p>	<ul style="list-style-type: none"> <li>• TNO to set up a working group with representation from ONEDC, BDC, EDCO and First Nations.</li> <li>• Using the survey contact list for the subject study online survey, the working group to reach out to economic development officers and tourism managers on a semi-annual basis to track updates on investment projects, new investors to area and report back to the Board. TNO to maintain an inventory of local investment community contacts for inclusion on its online resource directory – and actively look to build on the list.</li> </ul>	<p><b>TNO / Working Group (industry stakeholders)</b></p>	<p><b>Year 1</b></p>
<p><b>2. Build a resource centre to link Northern Ontario partners and funding agencies with the investment community.</b></p>	<ul style="list-style-type: none"> <li>• TNO website to include a separate webpage / “resource centre” with investment related data, including who’s doing what, key tourism and economic development contacts, available funding programs, on-line resources and the regional profile toolkit.</li> </ul>	<p><b>TNO</b></p>	<p><b>Year 1</b></p>
<p><b>3. Encourage Provincial and Federal Government participation in TNO Tourism Investment Attraction Strategy implementation.</b></p>	<ul style="list-style-type: none"> <li>• Invite IDO and BDC, CFDC and NADF representatives to TNO board meetings (at least once annually) to encourage two way communication; report on programming opportunities; any program changes; status of investment opportunities; ways to link the investment community, etc.</li> <li>• FedNor and MNDM/NOHFC representatives at TNO board meetings need to provide updates on funding related programs.</li> </ul>	<p><b>TNO / Board members</b></p>	<p><b>Year 1-2</b></p>
<p><b>4. Provide support for community investment in tourism.</b></p>	<ul style="list-style-type: none"> <li>• Set up a task force to develop criteria for determining what public and public/private community infrastructure projects with a tourism component should be supported by TNO.</li> <li>• Ensure all sub-regional partners are aware of the community investment initiatives in their own regions and are present at planning sessions to look for synergies with their own product development and capacity building related initiatives. For example, waterfront redevelopment in North Bay should involve advisory input from Northeastern Ontario Tourism regarding synergies for NeONT projects.</li> </ul>	<p><b>TNO / Sub-Regional Partners / Board Members</b></p>	<p><b>Year 1</b></p>

<p><b>5. Collaborate with RTO 12 on potential opportunities to leverage Northern Ontario government funding.</b></p>	<ul style="list-style-type: none"> <li>• Executive Directors of TNO and RTO12 to maintain regular communication to discuss potential joint initiatives that require government funding.</li> <li>• TNO and RTO12 to continue work on Tourism Excellence North with FedNor support.</li> </ul>	<p><b>TNO / RTO12</b></p>	<p><b>Year 1</b></p>
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**RECOMMENDATION #4: Assist Stakeholders/Investors to Activate Tourism Business Enterprise Investment Opportunities**

Actions	Details	Lead Organization	Timeline
<p><b>1. Support Access to Public Sector Investment Funding Sources for public and/or public/private investment opportunities.</b></p>	<ul style="list-style-type: none"> <li>• Investigate a service agreement contract to develop expertise in the provision of grant writing assistance for potential tourism investors. TNO to consider contracting one proponent to filter the applications from across the region, in order to track what applications are being submitted, and the level of funding secured year over year.</li> <li>• Sub-Regional Partners to leverage MTCS/TNO Partnership Program funds to support investment attraction opportunities where appropriate.</li> </ul>	<p><b>TNO / Sub-Regional Partners</b></p>	<p><b>Year 1</b></p>
<p><b>2. Investigate potential database/inventory of potential sites and/or tourism business enterprises for sale, and willingness for other industries to collaborate.</b></p>	<ul style="list-style-type: none"> <li>• ONEDC to assist TNO by investigating the cost and management of:                             <ul style="list-style-type: none"> <li>A) Developing and maintaining a website to showcase tourism business enterprises for sale, and new-built tourism investment opportunities, with potential investors; under this option, a new website must start with tourism-related businesses, but could be expanded to include sale of businesses in other industries for a more comprehensive offering to investors; OR</li> <li>B) Incorporating tourism businesses for sale onto an existing websites (i.e. Business Sell Canada).</li> </ul> </li> </ul>	<p><b>ONEDC</b></p>	<p><b>Year 2</b></p>

**RECOMMENDATION #5: Track Performance and Measure Success**

Actions	Details	Lead Organization	Timeline
<p><b>1. Develop performance metrics and benchmarks to track progress in tourism investment attraction related initiatives.</b></p>	<ul style="list-style-type: none"> <li>• Potential performance measures could include:                             <ul style="list-style-type: none"> <li>○ Growth in number of Northern Ontario tourism businesses</li> <li>○ Increase in capital investment in Northern Ontario</li> <li>○ Increased number of outreach programs implemented</li> <li>○ Increased number of grant applications completed</li> <li>○ Increased number and dollar value of partnership program initiatives</li> <li>○ Track tourism investment through database of businesses for sale</li> <li>○ Average annual tourism investment per tourism business benchmark</li> </ul> </li> </ul>	<p><b>TNO / Sub-Regional Partners</b></p>	<p><b>Year 1</b></p>

**APPENDIX A:  
CAPITAL EXPENDITURE IN NORTHERN ONTARIO'S TOURISM SECTOR BY TYPE AND BY SUB-REGION  
2009-2014**

CAPITAL EXPENDITURE IN NORTHERN ONTARIO'S TOURISM SECTOR BY TYPE AND BY SUB-REGION (2009-2014)								
Year	Attraction	Type	Community	Sub-Region	Total	Funding	Funding Source	Description
2009	Hampton Inn	Accommodation-Hotel	North Bay	13A	\$10,200,000	\$0	None	Construction of a 102 room hotel.
2009	Super 8 Kapuskasing	Accommodation-Hotel	Kapuskasing	13A	\$4,984,000	\$0	None	Construction of a 56 room hotel.
2009	Hampton Inn	Accommodation-Hotel	Elliot Lake	13B	\$5,200,000	\$0	None	Construction of a 52 room hotel.
2009	Days Inn	Accommodation-Hotel	Thunder Bay	13C	\$1,350,000	\$0	None	18 room expansion.
2009	SSM Canal National Historic Site	Attraction	Sault Ste. Marie	13B	\$1,500,000	\$1,500,000	Canada's Economic Action Plan	Split between SSM National Park and Pukaskwa National Park.
2009	Fort William Historic Park	Attraction	Thunder Bay	13C	\$8,000,000	\$8,000,000	Government of Ontario	Flood mitigation and infrastructure improvements.
2009	Chiblow Lake Lodge Expansion Business Plan	Accommodation	Misswezhagng Development Corporation	13B	\$87,778	\$43,889	NOHFC	Infrastructure and Community Development
2009	Marketing Centre Design & Construction	Accommodation	Non Profit Retirement Residences of Elliot Lake	13B	\$1,246,200	\$623,100	NOHFC	Infrastructure and Community Development
2009	Prince Arthur's Landing at Marina Park, Thunder Bay	Accommodation	City of Thunder Bay	13C	\$10,000,000	\$5,000,000	NOHFC	Infrastructure and Community Development
2009	Sustainable Waterfront Development Area Plans	Accommodation	Dryden Development Corporation	13C	\$100,000	\$50,000	NOHFC	Infrastructure and Community Development
2009	Chalet Lodge Business Plan	Accommodation	Red Rock Indian Band	13C	\$75,000	\$37,500	NOHFC	Infrastructure and Community Development
2009	Strategic Plan for Friends of Misery Bay	Attractions	Friends of Misery Bay - FOMB	13A	\$54,000	\$27,000	NOHFC	Infrastructure and Community Development
2009	Ojibwe Cultural Foundation Exhibitory Development	Attractions	Ojibwe Cultural Foundation	13A	\$390,000	\$195,000	NOHFC	Infrastructure and Community Development
2009	Timmins Arts & Heritage Complex Feasibility Study	Attractions	City of Timmins	13A	\$77,400	\$38,700	NOHFC	Infrastructure and Community Development
2009	Digital Dome Theatre & Travelling Planetarium	Attractions	Science North	13A	\$1,189,000	\$594,500	NOHFC	Infrastructure and Community Development
2009	Meldrum Bay Waterfront Exhibit Centre	Attractions	Dawson Citizens Improvement Association	13A	\$355,680	\$177,840	NOHFC	Infrastructure and Community Development
2009	Iroquois Falls Artisan and Crafts Display Centre	Attractions	Iroquois Falls Community Dev. Team	13A	\$100,000	\$50,000	NOHFC	Infrastructure and Community Development
2009	Hearst Convention & Events Centre Project	Attractions	Le Conseil des Arts de Hearst	13B	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Development
2009	Heritage Discovery Centre	Attractions	City of Sault Ste. Marie - Historic Sites Board	13B	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Development
2009	The Port of Kenora Tourist Attraction Project - Phase II	Attractions	City of Kenora	13C	\$4,000,000	\$2,000,000	NOHFC	Infrastructure and Community Development
2009	Marina Waterfront Centre	Attractions	Township of Red Rock	13C	\$1,875,956	\$937,978	NOHFC	Infrastructure and Community Development
2009	Echoes Drum Festival	Festivals/Events	Sault Ste. Marie	13B	\$27,600	\$27,600	Ontario Trillium Foundation	Hire a coordinator to support growth of the festival.
2009	Lakehead Varsity Hockey	Festivals/Events	Thunder Bay	13C	\$75,000	\$75,000	FedNor	To assist with the planning and execution of hosting the Canadian Inter-University Men's Hockey Championships.
2009	Accessibility Project	Recreation	Fort William Curling Club	13C	\$230,000	\$115,000	NOHFC	Infrastructure and Community Development
2009	2010 World Junior Baseball Championship Infrastructure	Recreation	Thunder Bay International Baseball Assoc.	13C	\$727,170	\$363,585	NOHFC	Infrastructure and Community Development
2009	Sault Ste. Marie International Bridge	Infrastructure	Sault Ste. Marie	13B	\$44,000,000	\$44,000,000	Fund	Expanding and redesigning the port of entry. \$44 million invested in 2009, \$7.5 million in 2014.
2009	Marina Upgrade	Infrastructure	Red Rock	13C	\$289,091	\$289,091	FedNor	Update harbour to accommodate larger vessels.
2009	Bilingual Signs	Infrastructure	Marathon	13C	\$103,000	\$103,000	FedNor	To install bilingual signs for tourists.
2009	Greater Sudbury Airport Hangar Development	Infrastructure	Greater Sudbury Airport	13A	\$1,500,000	\$750,000	NOHFC	Infrastructure and Community Development
2009	Bay Street Marina - Transient and Seasonal Dock Upgrade	Infrastructure	Township of Assinacook	13A	\$220,000	\$110,000	NOHFC	Infrastructure and Community Development
2009	Downtown Docks Phase III	Infrastructure	Town of Northeastern Manitoulin and the Islands	13A	\$1,450,000	\$725,000	NOHFC	Infrastructure and Community Development
2009	Sault Ste. Marie Airport Terminal Expansion for New Airline Service	Infrastructure	Sault Ste. Marie Airport Development Corporation	13B	\$324,300	\$162,150	NOHFC	Infrastructure and Community Development
2009	Downtown Revitalization	Urban Revitalization	Terrace Bay	13C	\$500,000	\$500,000	FedNor	Downtown revitalization and the development of a retail core.
2009	Chapleau Community Revitalization Project	Urban Revitalization	Township of Chapleau	13A	\$100,000	\$50,000	NOHFC	Infrastructure and Community Development
2009	Terrace Bay Downtown Revitalization Project	Urban Revitalization	Township of Terrace Bay	13C	\$2,999,800	\$1,499,900	NOHFC	Infrastructure and Community Development
2009	Assabaska Ojibway Heritage Park (Revitalization Project)	Urban Revitalization	Big Grassy First Nation & Ojibways of Onigaming	13C	\$200,000	\$100,000	NOHFC	Infrastructure and Community Development
2010	Fairfield Inn & Suites	Accommodation-Hotel	Sault Ste. Marie	13B	\$9,130,000	\$0	None	Construction of an 83 room hotel.
2010	Pool Six Cruise Ship T	Accommodation	City of Thunder Bay	13C	\$129,000	\$64,500	NOHFC	Infrastructure and Community Development
2010	Wequedong Lodge Sin	Accommodation	Wequedong Lodge of T	13C	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Development
2010	Train station restoration	Attraction	Sioux Lookout	13C	\$8,000,000	\$0	None	Redevelopment of the historic train station and revitalization of Front Street downtown area.
2010	New Visitor Experience	Attractions	Science North	13A	\$3,500,000	\$1,750,000	NOHFC	Infrastructure and Community Development
2010	Two Drums Festival	Festivals/Events	Little Current	13A	\$22,000	\$22,000	FedNor	To expand and promote the festival.
2010	Kenora Gateway & Hwy 17	Infrastructure	Kenora	13C	\$7,000,000	\$0	N/A	To improve infrastructure and create signage attractive to tourists.
2010	James Jerome Sports Complex	Recreation	Sudbury	13A	\$525,598	\$525,598	NOHFC	Renovations to make the city a leading sports destination.
2010	Minnehaha Bay Comm	Recreation	Municipality of West Nip	13A	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Development
2010	Downtown Highway Co	Infrastructure	Town of Bruce Mines	13B	\$424,990	\$212,495	NOHFC	Infrastructure and Community Development
2010	Community Waterfront	Urban Revitalization	City of North Bay	13A	\$4,000,000	\$2,000,000	NOHFC	Infrastructure and Community Development
2010	Waterfront Access-Re-	Urban Revitalization	Town of Spanish	13A	\$386,420	\$193,210	NOHFC	Infrastructure and Community Development
2010	Waterfront Landscapin	Urban Revitalization	Town of Bruce Mines	13B	\$780,410	\$390,205	NOHFC	Infrastructure and Community Development
2010	Revitalization of Thund	Urban Revitalization	Finlandia Association of	13C	\$1,600,000	\$800,000	NOHFC	Infrastructure and Community Development
2011	Holiday Inn Express & Suites	Accommodation-Hotel	New Liskeard	13A	\$9,004,500	\$0	None	Construction of a 69 room hotel.
2011	TownPlace Suites by Marriott	Accommodation-Hotel	Sudbury	13A	\$11,025,000	\$0	None	Construction of a 105 room hotel.
2011	Jeux de la francophonie canadienne	Accommodation	Jeux de la francophonie canadienne	13A	\$200,000	\$100,000	NOHFC	Infrastructure and Community Development
2011	Massey Area Museum	Attraction	Manitoulin Island	13A	\$187,602	\$187,602	FedNor	Development of a multi-purpose facility.
2011	Great Spirit Circle Trail	Attraction	M'chigeeng	13A	\$453,500	\$453,500	FedNor	Will be used to develop and enhance tourists' experience.
2011	Art Gallery of Algoma	Attraction	Sault Ste. Marie	13B	\$170,000	\$0	N/A	Will be used to complete infrastructure and facility upgrades.
2011	Meldrum Bay Waterfront Exhibit	Attraction	Dawson Citizens Improvement Asso	13A	\$507,680	\$253,840	NOHFC	Infrastructure and Community Development
2011	The Canadian Ecology Centre	Attraction	Canadian Ecology Centre	13A	\$630,000	\$315,000	NOHFC	Infrastructure and Community Development
2011	Harbourfront Amphitheatre	Attraction	City of Kenora	13C	\$1,600,000	\$800,000	NOHFC	Infrastructure and Community Development
2011	Little Falls Beautification	Attraction	Atikokan Sportsmen's Conservation	13C	\$49,343	\$24,672	NOHFC	Infrastructure and Community Development
2011	Marconi Club Upgrades	Heritage/Culture	Sault Ste. Marie	13B	\$1,500,000	\$500,000	Ontario Trillium Foundation Ontario Trillium Foundation/	Build on conference facilities and space to permanently display exhibits celebrating Italian heritage.
2011	Skate Park	Recreation	Sault Ste. Marie	13B	\$58,913	\$58,913	Communities in Action Fund	Will construct a new skate park and hire a coordinator.
2011	Lake of the Woods and White Cap Pavilions	Recreation	Kenora	13C	\$6,100,000	\$0	Private	Revitalize harbourfront with construction of pavilions.
2011	City of North Bay Multi-Use Outd	Recreation	City of North Bay	13A	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Development
2011	Moonbeam Infrastructure Projec	Recreation	Township of Moonbeam	13A	\$855,000	\$427,500	NOHFC	Infrastructure and Community Development



CAPITAL EXPENDITURE IN NORTHERN ONTARIO'S TOURISM SECTOR BY TYPE AND BY SUB-REGION (2009-2014)									
Year	Attraction	Type	Community	Sub-Region	Total	Funding	Funding Source	Description	
2011	Waterfront Redevelopment	Urban Revitalization	Gore Bay	13A	\$183,600	\$183,600	FedNor	Convert a vacant waterfront building to a hub for artisans.	
2011	Waterfront Redevelopment	Urban Revitalization	Manitoulin Island	13A	\$400,000	\$400,000	FedNor	Waterfront development to enhance tourist experience.	
2011	Sault Ste. Marie Terminal Expan	Infrastructure	Sault Ste. Marie Airport Developmen	13B	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Developme	
2011	Lake of the Woods Visitor Discovery Centre	Visitor Information	Kenora	13C	\$3,100,000	\$0	N/A	Both a visitor information centre and heritage discovery centre.	
2011	Waterfront Recreation Improvem	Urban Revitalization	Dawson Citizens Improvement Asso	13A	\$900,000	\$450,000	NOHFC	Infrastructure and Community Developme	
2011	Lakefront Enhancement	Urban Revitalization	Township of McGarry	13A	\$140,000	\$70,000	NOHFC	Infrastructure and Community Developme	
2012	Travelodge	Accommodation-Hotel	Kapusasing	13A	\$4,845,000	\$0	None	Construction of a 51 room hotel.	
2012	Super 8	Accommodation-Hotel	Red Lake	13C	\$6,175,000	\$0	None	Construction of a 75 room hotel .	
2012	Cinefest	Festivals/Events	Sudbury	13A	\$92,000	\$92,000	Tourism Events Marketing Partnership Program		
2012	Assignack Events	Festivals/Events	Assignack	13A	\$25,000	\$25,000	FedNor	To promote the Manitoulin Pro Challenge snowmobile races and complete capital improvements to the raceway.	
2012	Sault Ste. Marie Museum	Festivals/Events	Sault Ste. Marie	13B	\$10,300	\$10,300	Ontario Trillium Foundation	Bi-centennial celebration of War of 1812.	
2013	Great Spirit Circle Trail Hotel & CC	Accommodation-Hotel	Little Current	13A	\$13,500,000	\$250,000	NOHFC	Construction of a 58 room hotel and conference centre.	
2013	Holiday Inn Express & Suites	Accommodation-Hotel	Timmins	13A	\$12,036,000	\$0	None	Construction of a 102 room hotel.	
2013	Microtel	Accommodation-Hotel	Timmins	13A	\$9,212,000	\$0	None	Construction of a 94 room hotel.	
2013	TownePlace Suites	Accommodation-Hotel	Thunder Bay	13C	\$19,880,000	\$0	None	Construction of a 142-room hotel	
2013	Norm's Cabin Reconstruction Project	Accommodation	Algoma Highlands Conservancy	13B	\$120,000	\$60,000	NOHFC	Infrastructure and Community Development	
2013	Discovery North Bay Museum	Attraction	North Bay	13A	\$31,500	\$31,500	FedNor	To revitalize permanent exhibition.	
2013	The Wharf Centre - The Gore Bay Arts and Cultural Centre	Attraction	The Corporation of the Town of Gore Bay	13A	\$457,200	\$228,600	NOHFC	Infrastructure and Community Development	
2013	Heritage Discovery Centre	Attraction	Sault Ste. Marie	13B	\$4,000,000	\$1,900,000	Canadian Cultural Spaces Fund	Expansion of Summer Kitchen Centre, will allow for year-round operation.	
2013	Great Canadian Kayak Festival & Challenge	Festivals/Events	Timmins	13A	\$497,750	\$497,750	FedNor	Position the event as a major attraction in the area.	
2013	Delaney Arena	Festivals/Events	Thunder Bay	13C	\$500,000	\$500,000	FedNor	Enable Thunder bay to host larger national and international events.	
2013	Rural Revitalization Foundation Conference	Festivals/Events	Thunder Bay	13C	\$49,772	\$49,772	FedNor	To assist with hosting the conference.	
2013	Hollinger Park	Recreation	Timmins	13A	\$200,000	\$200,000	FedNor	Improvements to park .	
2013	Soccer and Athletics Centre	Recreation	Timmins	13A	\$100,000	\$100,000	FedNor	Improvements to athletic centre.	
2013	Iroquois Falls Sports Complex	Recreation	Iroquois Falls	13A	\$98,500	\$98,500	FedNor	To replace roofing of the sports complex.	
2013	Matachewan Outdoor Park	Recreation	Matachewan	13A	\$30,000	\$30,000	FedNor	Upgrade the outdoor rink and basketball court.	
2013	Northern Water Sports Centre	Recreation	Sudbury	13A	\$4,600,000	\$3,500,000	FedNor, NOHFC, City, Xstrata	Dragon boat and canoe facility with year-round training facilities.	
2013	North Bay Snowmobilers Club	Recreation	North Bay	13A	\$120,000	\$120,000	Tourism Development Fund	Bridge Replacement on trail.	
2013	Trout Creek Community Centre Revitalization	Recreation	The Corporation of the Municipality of Powassan	13A	\$303,300	\$151,650	NOHFC	Infrastructure and Community Development	
2013	Chippewa Park	Recreation	Thunder Bay	13C	\$49,995	\$49,995	FedNor	Enhance marketing efforts and improve signage.	
2013	Greater Sudbury Airport Hangar Development	Infrastructure	Sudbury Airport Community Development Corp.	13A	\$2,000,000	\$1,000,000	NOHFC	Infrastructure and Community Development	
2013	Waterfront Facilities Renewal	Urban Revitalization	The Corporation of the Municipality of Killarney	13A	\$1,000,000	\$500,000	NOHFC	Infrastructure and Community Development	
2013	Phase 3 Downtown Design	Urban Revitalization	Kenora	13C	\$125,000	\$0	N/A	Downtown redevelopment.	
2014	Holiday Inn Express	Accommodation-Hotel	Thunder Bay	13C	\$10,000,000	\$0	None	Construction of a 148-room hotel.	
2014	Days Inn	Accommodation-Hotel	Sioux Lookout	13C	\$5,500,000	\$0	None	Construction of a 60 room hotel.	
2014	Science North/Cochrane Polar Bear Habitat	Attraction	Sudbury	13A	\$500,000	\$500,000	NOHFC	Creation of Arctic Voices Exhibit.	
2014	Motorcycling Tourism	Attraction	Nipissing	13A	\$25,000	\$25,000	FedNor	To market the area to motorcycling enthusiasts.	
2014	Science North - Dynamic Earth	Attraction	Sudbury	13A	\$1,250,000	\$1,250,000	FedNor	To create new exhibits and multimedia features.	
2014	Dynamic Earth	Attraction	Sudbury	13A	\$3,000,000	\$1,000,000	FedNor	Creation of an outdoor science park.	
2014	Kirkland Lake Event Hub Retrofit	Attraction	The Corporation of the Town of Kirkland Lake	13A	\$875,000	\$437,500	NOHFC	Infrastructure and Community Development	
2014	Red Rock Marina Interpretive Centre	Attraction	The Corporation of the Township of Red Rock	13C	\$649,080	\$324,540	NOHFC	Strategic Infrastructure Program	
2014	Greater Sudbury Airport	Infrastructure	Sudbury	13A	\$169,975	\$169,975	Transport Canada's Airport Capital	To increase safety measures and increase operational efficiency.	
2014	Sault Ste. Marie International Bridge	Infrastructure	Sault Ste. Marie	13B	\$7,500,000	\$7,500,000	Gateways and Border Crossings	Expanding and redesigning the port of entry.	
2014	Red Lake Airport	Infrastructure	Red Lake	13C	\$549,112	\$549,112	FedNor	Installation of lighting and control system upgrades.	
2014	Thunder Bay Convention Centre	Meeting/Conference	Thunder Bay	13C	\$577,139	\$550,000	FedNor	Development of a convention centre (funding split with NOHFC).	
2014	Thunder Bay Convention Centre	Meeting/Conference	Thunder Bay	13C	\$577,139	\$550,000	NOHFC	Development of a convention centre (funding split with FedNor).	
2014	ARC	Recreation	Sudbury	13A	\$125,000	\$125,000	NOHFC	To create a rock climbing and yoga studio, adding 16 jobs.	
2014	Tall Pines Marina	Recreation	Kenora	13C	\$10,000,000	\$0	None	Construction of a 230 slip marina catering to the resort crowd and tourists. *Cost is approximate	
2014	Sault Ste Marie Downtown Revitalization	Urban Revitalization	Sault Ste. Marie	13B	\$839,500	\$839,500	FedNor	Revitalization of downtown core as well as development of a small business incubator.	
2014	Development of Civic Square	Urban Revitalization	Rainy River	13C	\$997,500	\$997,500	NOHFC	Demolition of hotel and creation of market square.	

Source: PKF Consulting; FedNor, NOHFC, and other Ontario Government website data