



Report to: Development Services Committee

Meeting Date: February 22, 2021

SUBJECT: Destination Markham Corporation 2021 Business Plan and Budget

PREPARED BY: Christina Kakaflikas, Acting Director, Economic Growth, Culture and Entrepreneurship
Eric Lariviere, City Lead, Destination Markham Corporation

RECOMMENDATION:

1. That the report “Destination Markham Corporation 2021 Business Plan and Budget” be received; and,
2. That Council approve the “Destination Markham Corporation 2021 Business Plan”: and,
3. That Council approve the Destination Markham Corporation 2021 Budget to a maximum of \$1,236,000 and further,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to provide an update on the Destination Markham Corporation (DMC) 2020 achievements, and to seek Council’s approval for the 2021 Destination Markham Corporation business plan and budget.

BACKGROUND:

The Destination Markham Corporation (DMC) is a municipal corporation launched in April 2020 as the destination marketing organization (DMO) for the city of Markham. DMC’s mission is to promote Markham as a remarkable destination for visitors, including tourists, sport and festival attendees, meeting and conference delegates, and business travellers.

On April 28 2020 Council approved an Agreement between the City of Markham and DMC; DMC corporate By-Law No. 1; the appointment of Directors to the DMC Board of Directors; and the approval of an auditor for DMC. The Agreement and DMC corporate By-Law No.1 establish the governance, strategic and operational foundation necessary to allow DMC to conduct the activities and affairs of the corporation in accordance with its mandate and objectives and applicable laws and regulations.

OPTIONS/ DISCUSSION:

In 2020, in response to the COVID 19 pandemic, the FedDev Regional Economic Recovery and Relief Fund (RRRF) was established to assist the tourism and hospitality sector. DMC successfully applied for RRRF funding and received approximately

\$470,000 in addition to DMC's base budget of approximately \$2.1M (DMC's share of the 2019 & 2020 Municipal Accommodations Tax revenue).

As part of Markham's economic recovery plan, the DMC Board was requested to lead a marketing strategy focused on promoting a 'buy, shop and stay local' campaign. On July 16, Council approved the expenditure by DMC of the RRRF funding in accordance with an approved budget of \$470,090.25. Following is a summary of accomplishments to date.

DMC Key Accomplishments

1. Governance and stakeholders relations

Since April 2020, the Destination Markham Board and team have achieved the following:

- Established an Economic Recovery Subcommittee and elected a Chair, Treasurer and Secretary.
- Consulted with key stakeholders including the Main Street Unionville Business Improvement Area, the Markham Village Business Improvement Area, the Markham Board of Trade, York Region, York Region Arts Council, and Central Counties Tourism.
- Partnered with the City of Markham to endorse the Digital Main Street ShopHERE program, and promoted partnerships between the City of Markham and Ritual/Doordash, and Skip the Dishes to stimulate orders from local restaurants and encourage residents to shop local.

2. DMC "Markham Safe" Economic Recovery Plan

- Successfully applied for FedDev Regional Recovery and Relief Funds (RRRF) of \$470,090.25. This led to a Contribution Agreement between DMC and the Tourism Industry Association of Ontario (TIAO) for FedDev Regional Economic Recovery and Relief Fund (RRRF) funding. The support program allowed DMC to move swiftly to contract staff, ambassadors, and marketing professionals to provide immediate assistance to tourism and hospitality businesses.
- Assigned City staff to help steer the corporation, work with the Board of Directors, build DMC's capacity, and manage DMC administrative and marketing
- Developed and implemented the "Markham SAFE" recovery plan to assist businesses with re-opening and recovery; support and promote consumer health and safety education; develop a marketing campaign promoting tourism in Markham, and provide one on one support through Markham Ambassadors.

3. Highlights of the "Markham Safe" Economic Recovery Plan:

- Ambassadors connected with 1,200 tourism and hospitality businesses across Markham; distributed more than 1,100 "Visit Markham Safely" masks, and 680 business toolkits in English and Mandarin; and completed 285 Business Recovery Surveys, providing meaningful insights on the state of the tourism and hospitality sector and guiding recovery efforts.
- Some key findings of the business surveys (data collected to end of December):

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- ✓ Over two-thirds of respondents indicated they need Financial Assistance (Grant); 64% of respondents require Marketing Support; 46% of respondents require Financial Assistance (Loan); and 42% of respondents prefer receiving more information and resources to help their businesses.
 - ✓ About two-thirds of businesses have adjusted their practices in response to COVID-19 including changes/updates in product/service offerings, marketing, enhanced online presence, using third-party marketplaces or deliveries.
 - ✓ Almost all of the respondents have put safe practices in place (i.e. PPE, hygiene protocols, physical distancing assistance); about 50% of respondents have implemented contact tracing; 18% of respondents are aware of safety standards programs: Dine Safe, Safe Travels Stamp, and P.O.S.T. Promise.
 - Delivered workshops on digital marketing, social media and safety standards.
 - In collaboration with Economic Development/MSBC developed a database of 2,300 tourism and hospitality businesses, sent 3,000 emails, and more than 300 engagements for consumer facing activations.
 - Developed collaborative relationships with diverse tourism sector organizations and business improvement areas – Unionville, Markham Village – Downtown Markham, association of Canadian Chinese Entrepreneurs (ACCE), and Chinese Cuisine and Hospitality Association of Canada.

4. Activate Destination Markham Branding

- Activated Destination Markham branding in market, developing marketing capacity and creating and implementing impactful campaigns triggering ten million media and digital impressions, 28,000 social media engagements, 2,000 social media followers, and 75,000 splash page and website visits and views.
- Executed the “Visit Markham Safely” campaign (August-November) to engage tourism, hospitality and attraction businesses in promoting safe recovery and re-opening; re-establish consumer confidence; and expand in new markets.
- “Visit Markham Safely” resulted in five million media and digital impressions, 10,000 social media engagement, and 12,600 page views.
- The “Show Some Markham Love” Holiday campaign (December 11-31) was featured as part of DMC’s inaugural website launch to support Markham hotels, retailers and restaurants during the Holiday Season with a strong Markham focused campaign, highlighting local offerings
- The “Show Some Markham Love” campaign generated over 4.5 million impressions and 56,000 visits on the visitmarkham.ca website between December 11 and 31, directly engaging more than 300 tourism and hospitality businesses for the consumer facing section of the new website.
- Built DMC’s digital Business to Business, and Business to Consumer platform:
 - ✓ Created and implemented “Visit Markham” splash page
 - ✓ Created and launched all DMC social media handles
 - ✓ Profiled more than 500 Markham businesses on DMC’s social media channels
 - ✓ Developed and launched DMC’s inaugural website www.visitmarkham.ca
 - ✓ Developed a brand signature/logo for Destination Markham
 - ✓ Started the implementation of the Bandwango marketing platform, a powerful digital marketing tool for sales promotion and engaging consumers

5. Market Research in support of Business Planning:

Given the evolving and uncertain nature of the COVID 19 crisis, DMC has been conducting primary and secondary research to inform the 2021 Business plan, with the following takeaways:

- The visitor economy will require patience and resilience
- The focus for 2021 will be hyper local (Markham-focused target audience).
- DMC recovery strategy and initiatives been purposefully focused on developing in-person relationships with Markham tourism and hospitality businesses
- Markham tourism and hospitality businesses continue to identify the need for marketing and financial support
- Key factors that will shape the path to recovery include vaccination effectiveness, cross-border travel restrictions, health and safety policies/regulations, and consumer confidence
- Capacity will be one of the challenges for 2021. It will be critical for DMC to work together with authorities, stakeholders, hotels, and hospitality businesses to develop partnerships and coordinate local efforts and strategies to sustain business levels, re-establish consumer confidence, and ensure seamless client service.

DMC 2021 Business Plan and Budget

In October 2020, the DMC Board of Directors engaged in a business planning exercise to determine key priorities, goals and deliverables for DMC. The process began with an overview of market research findings and anticipated trends followed by focused priority-setting discussions. Following are the key priorities, goals and deliverables for 2021.

DMC projects supported by FedDev Regional Economic Recovery and Relief Fund (RRRF) funding will be completed by end of February 2021.

Business priorities, Key Goals and Deliverables:

1. GOVERNANCE, STRATEGIC LEADERSHIP, OPERATION, and CAPACITY BUILDING

Budget allocation: \$446,000

Goal: To create an inspiring vision and strategic plan, and sustain business levels.

Deliverables:

- a) Develop DMC inaugural strategic plan 2022-2025
- b) Engage the Board of Directors by:
 - Maintaining regular Board meetings
 - Sustaining the Economic Recovery Subcommittee
 - Identifying other sub-committees, as needed.
 - Producing an Annual Report
- c) Sustain operating capacity levels

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- Maintain capacity for operation and administration, DMC staff and City in-kind support
 - Sustain capacity and resources for COVID-19 focused business support and stakeholder relations, including the Ambassadors program
 - Develop capacity through fundraising, grant seeking
- d) Examine the acquisition of a CRM System/platform

2. COVID-19 BUSINESS SUPPORT

Budget allocation: \$300,000

Goal: To prioritize support for hotels, restaurants, and tourism industry small businesses, and sustain efforts to address the impacts of the pandemic.

Deliverables:

- a) Develop Business Equipping
 - Deliver education programs and opportunities in response to urgent needs (i.e. marketing, e-commerce).
 - Establish support through help line and chat room on web platform.
- b) Establish Marketing Support for hotels, restaurants and small businesses:
 - Develop sales promotion and gamification opportunities
 - Develop coop marketing and partnership programs to expand market reach and impact.
- c) Sustain the Markham SAFE Ambassadors Program:
 - Continue progress with Data Integration, Application (calls, surveys, visits, toolkits); Database proofing; Follow-up; and Support.
 - Focus on equipping businesses to re-establish consumer confidence
 - Develop, implement, and operate a multi-lingual online support service (help line, email, and chat box).
 - Community engagement through outreach, experiential marketing

3. PRODUCT & EXPERIENCE DEVELOPMENT

Budget allocation: \$250,000

Goal: To encourage the development of destination product and experiences through direct support and partnerships with key stakeholders.

Deliverables:

- a) Identify key challenges and opportunities to develop products and experiences supporting businesses during the pandemic.
- b) Support and seek opportunities for events and attractions, encourage and promote local experiences, arts, entertainment, events, staycations, dining and shopping, for residents, regional visitors and business travelers.
- c) Establish a support program for projects and an adjudication process for special project requests.

4. MARKETING AND COMMUNICATIONS

Budget Allocation: \$240,000

Goal: To continue building a highly effective destination marketing program.

Deliverables:

- a) Continue developing DMC marketing infrastructure
 - Complete the development of the DMC website
 - Finalize the integration of the Bandwango online platform
 - Sustain services of a marketing agency
 - Continue to build the DMC brand, services, support, and industry profile as Markham's leading destination marketing organization
- b) High performance digital platforms
 - Sustain increased integration of digital platforms and develop capacity for the production of digital content
 - Continue to grow sectoral business and consumer database
 - Develop and implement new e-marketing and promotional opportunities, online gamification
 - Expand publicity and promotional contact list to reflect current digital environment (blogs, influencers, targeted groups/followers)
 - Develop new key digital marketing partnerships
- c) Sustain targeted marketing programs and campaigns
 - Develop and implement high impact campaigns
 - Sustain collaborative online presence to support businesses
 - Maintain current, and develop new marketing and media partnerships
- d) Marketing KPI: Develop and implement marketing metrics dashboard

5. INDUSTRY & STAKEHOLDER RELATIONS/OUTREACH, SUSTAINABILITY AND MEASURING SUCCESS

Budget Allocation is Incorporated in Priority #1

Goal: Build DMC's industry profile as Markham's leading destination organization and primary resource. To grow DMC business through partnerships and fundraising, and to develop DMC KPI.

Deliverables:

- a) Sustain primary, secondary research/develop database and reporting tools
- b) Collaborate with Central Counties Tourism (CCT) to develop a monthly dashboard of key findings from CCT secondary research
- c) Conduct business outreach and surveys through the Ambassadors program
- d) Develop information sourcing web platform and dynamic information centre
- e) Leverage partnerships with industry associations and key stakeholders
- f) Government relations, advocacy

- g) Work with the City of Markham – Mayor’s office, Council, ELT, Economic Growth, Culture and Entrepreneurship, Corporate Communications.
- h) Work with CCT and other DMOs in advocacy and in sustaining regional tourism
- i) Sustain advocacy with Province / PO (Plan) - stay active with TIAO, Destination Ontario, and Destination Canada
- j) Build capacity through partnerships and fundraising
- k) Establish a policy and process to receive, evaluate and support projects
- l) Develop DMC’s KPI – monthly, periodically.

DMC 2021 Budget Summary

Business Priorities	Budget Allocations
1. Governance, strategic leadership, operation, and capacity building Industry & Stakeholders relations/outreach, sustainability and performance measures	
○ Strategic Plan	\$ 40,000
○ Operations and administration	\$ 40,000
○ Staff and contracts	\$280,000
○ City Resources	\$ 86,000
2. Covid-10 Business Support and equipping	\$300,000
3. Product and Experience Development	
○ Destination Events/Attractions	\$150,000
○ Projects Support	\$100,000
4. Marketing and Communications	
○ Fee Agency	\$ 96,000
○ Marketing Costs	\$144,000
TOTAL BUDGET	<u>\$1,236,000</u>

FINANCIAL CONSIDERATIONS

The RRRF funding of \$470,090.25 has enabled DMC to assist and support local businesses during this challenging period caused by the ongoing COVID-19 pandemic. The pandemic will continue to have a significant negative impact on tourism, hospitality, and the visitor economy in 2021. The Destination Markham Board of Directors has built into the budget flexibility and agility to deliver on its goals, objectives and deliverables as defined above. This includes earmarking funds to increase Covid-19 business support, encourage destination events and attractions, and fund destination projects.

The Destination Markham Corporation Board of Directors voted in favour of the aforementioned 2021 business plan and budget of **\$1,236,000** and is seeking Markham Council's approval of the plan and budget to ensure business continuity and to move forward with plan implementation.

The proposed budget will be funded from the DMC's share of MAT revenue collected during 2019 and the first three months of 2020. As a result of the global pandemic, Council suspended the MAT from April 2020 to December 2021. The Board will actively pursue grant opportunities that align with the goals and objectives of the DMC.

HUMAN RESOURCES CONSIDERATIONS

n/a

ALIGNMENT WITH STRATEGIC PRIORITIES:

Engaged, Diverse, and Thriving City
Stewardship of Money and Resources

BUSINESS UNITS CONSULTED AND AFFECTED:

Economic Growth, Culture & Entrepreneurship
Finance Department

RECOMMENDED BY:

Christina Kakaflikas
Director, Economic Growth, Culture
Entrepreneurship

Arvin Prasad
Commissioner, Development
Services

ATTACHMENTS:

N/A