



Report to: Development Services Committee

Meeting Date: June 26, 2023

SUBJECT: Destination Markham Tourism Strategic Master Plan 2024-26
PREPARED BY: Eric Lariviere, Executive Director, Destination Markham Corporation
Chris Rickett, Director, Economic Growth, Culture and Entrepreneurship

RECOMMENDATION:

1. That the report and presentation titled Destination Markham Tourism Strategic Master Plan 2024 to 2026 be received; and,
2. That the Destination Markham Tourism Strategic Master Plan 2024 to 2026 be approved; and further,
3. That Staff be authorized and directed to do all things necessary to give effect to these resolutions.

EXECUTIVE SUMMARY:

The Destination Markham Corporation (DMC) is a municipal corporation launched in April 2020 as the destination management 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.

In 2020 and 2021 with the persistent pandemic, DMC sustained a wide scope of economic recovery and marketing initiatives to support businesses of the visitor economy and improved customer confidence.

In 2022, with the reopening of the visitor economy, DMC directed its priorities to support businesses to reopen safely, grow, and to start the development of Markham's first Strategic Tourism Master Plan, while building capacity with a focus on growth of Markham's visitor economy.

Background of Markham's Visitor Economy

Markham has a rich tapestry of cultural, historical, sports, and natural attractions that contribute significantly to the local economy through its visitor economy. The tourism sector, with 16 hotels, and many varied assets, is a key driver of economic growth and job creation in the city, bringing in significant revenue and contributing to the local economy.

The visitor economy not only drives direct spending in sectors like accommodation, food and beverage and retail, but also induces additional spending across a wide range of ancillary sectors. It provides a steady stream of revenue for local businesses and supports the creation of jobs across multiple sectors.

The importance of the visitor economy in Markham also extends beyond just its economic implications. It encourages the preservation of the city's cultural heritage, fosters community pride, it stimulates the development of new destination infrastructure that benefits the community, and promotes Markham as a vibrant destination for both domestic and international tourists.

PURPOSE:

The purpose of this report is to obtain Council's support and approval for the Markham Tourism Strategic Master Plan – 2024 to 2026.

The Destination Markham Tourism Strategic Master Plan – 2024 to 2026

The purpose of the Destination Markham Tourism Strategic Master Plan is to identify strategies and implement various tactics and initiatives that will contribute to Markham's visitor economy and support the businesses in the tourism sector. The Markham Tourism Strategic Master Plan is the culmination of a strategic process that includes research and analysis, public engagement and plan development.

Below is the highlight of the various phases and their outcomes:

Phase 1 – Environmental Scan

1. Stakeholder engagement: engaged various stakeholders, including hoteliers, tourism and hospitality operators, conferences, meetings and events stakeholders, staff and elected officials, while conducting visitor/resident surveys to gather their input and feedback.
2. Secondary research: assessed and analysed existing documents and strategies to gather insights.
3. Best practice review: examined industry-leading approaches and methods.
4. Trends review: investigated the latest developments and emerging tendencies in the visitor economy.
5. Organization and policy assessment: analyzed the organization structure and current policies in place.

Phase 2 – Vision and Focus

1. Visioning Session Focus Group: facilitated a collaborative session to envision the future vision and mission.
2. Developed goals for the tourism sector in collaboration with the DMC Board of Directors.
3. Identified five strategic high-level priorities.

Phase 3 – Strategies and Action Plan

1. Finalized and defined DMC's vision and mission.
2. Consolidated strategic pillars, foundational elements that support the organization's strategic direction.
3. Established specific goals to guide and achieve desired results.
4. Defined strategic actions to meet the goals and fulfill the vision.

Phase 4 – Strategic Tourism Master Plan

1. Identified tactical priorities and deliverables.
2. Developed an implementation plan and key performance indicators.
3. Finalized a Tourism Strategic Master Plan Report: produced a comprehensive report that encompasses the finalized master plan that includes strategic, goals, vision and mission, implementation and performance measures.

OPINIONS/DISCUSSION:

The DMC has established a robust foundation and has built partnerships with local operators (hotels, restaurants and other tourism sector businesses) and regional, national, and international destination organizations.

In 2022, with the reopening of the visitor economy, DMC directed its priorities to start the development of Markham's first Strategic Tourism Master Plan, by hiring the CBRE Consultants. DMC received \$200,000 from Federal Development of Ontario under Tourism Relief Fund to develop its first Strategic Tourism Master Plan.

Project Scope

The CBRE Team completed an interactive strategic planning process with Destination Markham and its partners to move forward with S.M.A.R.T. objectives in the short-term, (1 year), mid-term (2-3 years), and long-term (beyond 3 years), based on comprehensive consultation and data analysis. This process involved four phases, organized as follows:

- Phase 1: Environmental Scan – Destination Analysis
- Phase 2: Vision and Focus
- Phase 3: Strategy Development and Action Plan
- Phase 4: Final Tourism Destination Master Plan and Presentations

DESTINATION ANALYSIS KEY FINDINGS**Methodology**

In addition to several meetings with the DMC Board and Project Management Team, the CBRE Team conducted 30 stakeholder interviews, and two online surveys designed to measure the following:

- Markham's residents' attitudes and support towards tourism in Markham; and,
- Visitor and potential visitor perceptions of Markham as a destination and its growth potential.

The Consulting Team also conducted one focus group at conclusion of the survey process to validate findings in the online survey and probe deeper into respondent insights and experiences with Markham's tourism industry and future growth.

The following section outlines the key facts and inferences that have formed the basis of the CBRE Team's destination analysis and SWOT analysis for Markham's tourism industry and Destination Markham Corporation (Destination Markham or DMC) as a destination management organization (DMO).

Market Overview

- The City of Markham is home to a range of experiences focused predominantly on heritage, sports, culinary and retail, as well as a number of top employers – of which 12% are in the professional, scientific and technical service industry, which continues to grow.
- The population of Markham is projected to grow to 373,500 residents by 2027, representing a 5.2% growth rate over five years, while households are forecast to increase by 10.3% over 2022 levels.
- Demographic data for Markham demonstrates a high level of university educated residents, employed in white collar (and/or service sector) jobs, who represent a high level of cultural diversity and have a strong interest in entertaining friends and relatives, and spending on entertainment.
- Markham is reasonably well-connected via transit and train; however, a visitor would need to navigate several transit systems to travel to and within the city, thus travelling by car is the easiest and most direct way to travel.
- Cycling and walking often require shared roadways, and connections to trails, including the Rouge Valley Trail, are still relatively limited.
- Wayfinding is available in specific areas within Markham such as Unionville, Downtown Markham, and Markham Main Street, however, there is no cohesive wayfinding signage throughout Markham.
- In 2019, there were 4.0 million domestic tourist visits to York Region, of which 98% were from Ontario and 79% were same-day visits; visiting friends and relatives was the motivation for approximately 55% of York Region visitors, followed by pleasure at 23%. Additional research through Central Counties Tourism (CCT) and CBRE Mobile Dimensions demonstrates similar trends for Markham directly.
- The Markham accommodation market is made up of 16 properties totaling 2,360 rooms, mostly clustered in the area of Highway 404 and Highway 7, near the commercial and corporate centres, and mostly geared towards corporate and leisure travelers. A net increase of 553 hotel rooms is projected over the next 3 years.
- Leisure demand (42%) is the largest driver in Markham's accommodation market, primarily generated by transient Highway 404 and 407 travelers, tourists and "VFR" (visiting friends or relatives), as well as sports groups. Corporate demand (32%) is the second largest driver also generated by transient Highway 404 and 407 commercial travelers, and locally generated corporate accounts. While meeting/conference demand (10%) is primarily captured by the full-service properties.
- The majority of events hosted in Markham are local and regional events, while the local cultural and culinary events have the potential to become Hallmark Events, including Unionville Festival, Taste of Asia, and TD Markham Jazz Festival (see

below for definitions).

Event Type	Time Frame	Tourist Demand	Value	Example
Mega Events	Occasional	High	High	• Olympics • Pan American Games • World Fairs
Hallmark Events	Recurring	High	High	• Mardi Gras, New Orleans • Calgary Stampede • Oktoberfest, Munich
Regional Tourism Events	Recurring and One-Time	Medium	Medium	• Regional Sport Tournament • Large Music Festivals
Local Events	Recurring and One-Time	Low	Low	• Local Celebrations (Canada Day) • Barbeques • Local Fairs

Source: D. Getz, 1997, 2005, 2008

Asset Inventory and Infrastructure Assessment

- An estimated 711 tourism assets are spread out across Markham, the majority of which are culinary assets (76%), followed by sports and recreation assets (9%), and meeting and event facilities. The City also has a healthy number of accommodations, several arts, culture and heritage offerings, and authentic major festivals.
- Culinary assets account for 76% of all assets, with 23 (4%) of these are considered upscale/unique destination restaurants that would be the strong culinary tourism drivers, such as Il Postino. Further, many of Markham's authentic Asian restaurants have significant draw and are considered strong tourism assets.
- Markham has a number of banquet and event centres along with the supporting event suppliers. The Markham Fairgrounds is the only large outdoor event space. Sports and recreation assets are plentiful within the City, especially soccer, tennis, badminton, and golf facilities. Premier sporting facilities in the City include the Pan Am Centre, Joyride 150, Angus Glen, and Battle Arena. The City also has several community centres that offer additional facilities.
- Attraction/entertainment assets in Markham are mainly centered around family entertainment (such as bowling or indoor playgrounds), arcades and e-sport facilities, karaoke facilities, or games/hobby facilities. The Go Spa in First Markham Place is a significant spa attraction asset for the City and The Pride of Canada Carousel amusement ride in downtown Markham also acts as a cultural piece.
- As discussed in the previous section, Markham's accommodation assets include 16 hotels. Many of the hotels in the City are newer and in good repair, though some of the older accommodations may require additional investment in order to be attractive to visiting tourists.

- Arts, culture and heritage assets include the Flato Markham Theatre, the Markham Museum, the Varley Art Gallery, the Unionville Train Station, and the Little Theatre company to name a few. Markham has a variety of arts, culture, and heritage assets which lends itself well to attracting visitors interested in history and art as well as repeat visitation. Historic areas such as Unionville and Markham Main Street enhance this asset class.
- Markham has a number of major festivals, mostly centered on Asian cultural (Taste of Asia, Night it Up) and music (TD Markham Jazz Festival) as well as the historic Markham Fair. Festivals like these authentically reflect the community and offer visitors a unique experience, beyond what they could experience in their own community.
- Markham has several strong retail assets, both in terms of destination malls, such as First Markham Place, Pacific Mall, Markville Mall, and boutique retail on Markham Main Street and Main Street Unionville. In addition to these robust retail anchors, Markham also features several authentic grocery stores and specialty stores that draw in visitors from surrounding communities.
- Nature and outdoor assets in Markham revolve largely around the Rouge National Urban Park and Milne Dam Conservation Park. Other outdoor assets tap into agri-tourism and Markham's historic agricultural beginnings, such as the Sunflower Fields of Markham. Though the Rouge Valley is a key feature and offers several green spaces within Markham, the valley trails are not yet connected and access to these trails may not be well known to visitors without previous familiarity.

Markham Tourism Asset Inventory

Category	#Assets	
Culinary	542	76%
Sports and Recreation	64	9%
Meeting and Event	39	5%
Attraction/ Entertainment	23	3%
Accommodation	16	2%
Arts, Culture and Heritage	8	1%
Major Festival	8	1%
Retail	7	1%
Nature and Outdoors	4	1%
Grand Total	711	100%

Source: York Region 2019 Employment Survey, City of Markham, CBRE 3rd Party Research

- While the City has many attractive assets, there are some gaps that have been identified by stakeholders and through the CBRE Team's experience with other communities. These gaps include, but are not limited to, large scale attractions, larger public assembly facilities (i.e., cultural/performance arts centre, convention centre, etc.), "fun" attractions, and a central gathering place for outdoor events. Markham's tourism assets are also spread out, especially by type, making it more challenging to cluster assets for visitor itineraries and packaging.
- During the process of our stakeholder engagement, the CBRE Team identified

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- certain priorities relative to tourism infrastructure investment in Markham.
- There are lots of great cultural and community festivals in Markham, but the festival centres do not line up with existing infrastructure (e.g., no nearby hotels, limited parking, limited transportation options beyond driving).
 - Most Markham hotels tend to be in locations that are not proximate to other tourism infrastructure (i.e., restaurants, retail, walking trails, etc.).
 - There is significant interest in the development of a Performing Arts Centre, potentially in Markham Centre, that could benefit York Region overall.
 - Markham needs a new library and community centre and is looking at a needs assessment for shared space with tourist commercial development.
 - Milne Park is a great asset with the potential of expanding into a more permanent attraction – Markham needs more “fun attractions” (for youth and families) – Nature and outdoor spaces need more demand and revenue generators (i.e. Treetop Trekking).
 - From a tourism investment and gap perspective, the CBRE Team identified several potential infrastructure projects for future consideration, including:
 - Multi-use event centre (convention centre/performing arts centre);
 - Outdoor amphitheater for festivals and events;
 - Boutique hotel (on Main Street of Unionville and/or Markham Main Street);
 - Streetscaping with common wayfinding / signage;
 - Family attractions, especially nature-based (e.g., Treetop Trekking at Milne Park or Rouge Valley Urban Park);
 - Year-round indoor attraction geared towards young adults;
 - Waterfront enhancements at Milne Dam Conservation Park (e.g., rentals, swimming access, etc.);
 - Additional “Main Streets” e.g., redevelopment of Old Kennedy Road;
 - Infrastructure enhancements to attract East Asian visitors (e.g., Cherry Blossom or Tulip Park, with winding bridge over a pond to view goldfish, etc.); and
 - A centralized cultural and visitor “hub” in Downtown Markham to act as a central location for large community events and tourism experiences.

DESTINATION MARKHAM TOURISM STRATEGIC MASTER PLAN

Vision and Focus

Destination Markham’s Tourism Strategic Master Plan is setting the course for the City’s tourism industry efforts, based on a robust strategic planning process.

Vision Statement:

Markham is an unmatched GTA destination connecting visitors to a unique blend of cultural heritage, innovation, and authentic experiences.

Mission Statement:

To be the leading authority for destination management, advancing Markham’s visitor economy with the support of its residents, businesses and government.

Strategy Development and Action Plan

Destination management is the coordinated and thoughtful planning of all elements that make up a tourism destination. It involves attracting visitors, supporting businesses, addressing resident concerns, working with appropriate partners, and generally making the business of tourism a sustainable initiative for the destination (including environmental, economic, social, infrastructure, and other relevant considerations).

DMOs today are tasked with addressing the interactions between visitors, the industry that serves them, the community that hosts them, and the environment in a broad sense. They need to facilitate partnerships to fulfill a collective destination vision. Although there is no “one-size-fits-all” solution for a DMO structure, CBRE research shows that most DMOs are expanding (or seeking to expand) beyond a traditional marketing and promotion focus to a broader mandate that includes strategic planning, coordination, and management of the destination.

The latest DestinationNEXT Futures Study from 2021, identified three strategic trends that are helping to guide organizational structure and destination management initiatives globally:

- Destination Alignment – focusing on data management, relationship building, and advocacy to best align government, community, and industry needs.
- Sustainable Development – guiding product, experience, and community development with strong partner and business support.
- Values Based Marketing – encouraging repeat visitation through product-market match to ensure visitor profiles align with experiences.

To ensure DMC can best support destination management and spend more time on strategic planning, coordination, and management of the destination, the CBRE Team recommends aligning the organization structure with the four Strategic Pillar Areas.

Building on the Strategic Pillars, the following Goals were developed to give to direction on desired outcomes for the DMC’s Tourism Strategic Master Plan, in order to fulfill the Vision.

Actions to Achieve Goals

Strategic Pillars	Goals
Destination Management, Organizational Development, and Internal Governance	• To ensure DMC is a leading authority in destination management capable of growing Markham’s visitor economy • To provide the resources and support tourism related businesses need to thrive in Markham • To enhance the visitor and resident experience in Markham

Research and Investment Attraction	• To collect and analyze meaningful visitor data to support product development, investment attraction, and marketing • To broaden Markham's reach and renown as a destination • To attract future tourism investment to Markham
Product and Experience Development	• To identify and support major product and experience clusters for Markham • To establish a diverse mix of exciting and engaging tourism products and authentic experiences • To position Markham as a preferred destination for business, leisure and group events • To develop the hard and soft infrastructure to support Destination Markham's key visitor segments
Destination Marketing	• To build a unifying and credible corporate identity for DMC • To create an appealing consumer visitor brand that heightens awareness of Markham as a unique tourism destination

Pillar 1: Destination Management, Organizational Development, and Internal Governance

To ensure DMC is a leading authority in destination management capable of growing Markham's visitor economy

- Plan to adjust staff roles to align internal staff with Pillars
- Provide regular updates to DMC Board on implementation and tracking of strategic actions
- Establish task force to help guide Change Management
- Advise Council and Municipal Departments on policies and processes that impact the visitor economy
- Create tourism education and awareness plan for elected officials
- Align DMC vision and goals with Economic Development and Culture plans

To provide the resources and support tourism related businesses need to thrive in Markham

- Create information and awareness program for local businesses
- Collaborate with the Markham Small Business Centre to support tourism businesses
- Develop resources to support businesses (data analytics, economic impact, funding programs, etc.)
- Work with partners to leverage the regional GTA experience
- Position Markham as a GTA hub

To enhance the visitor and resident experience in Markham

- Establish a Cultural and Visitor Hub in Downtown Markham – location of multi-use

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- event and performing arts centre (TBC via feasibility study)
 - Advocate for interim transportation solutions
 - Work with Economic Development and Culture staff to prioritize tourism-aligned infrastructure
 - Develop framework for allocation of City's portion of MAT funding
 - Create visitor-friendliness plan
 - Educate on importance of large events and help streamline processes for event organizers

Pillar 2: Research and Investment Attraction

To collect and analyze meaningful visitor data to support product development and marketing

- Track visitation to Markham
- Survey for qualitative understanding of visitor experience
- Research impact and growth potential of current events
- Use event data to educate decision-makers on importance of events for identity and economy
- Consider interim transportation solutions (for advocacy)

To broaden Markham's reach and renown as a destination

- Research travel trends of young people to broaden target markets
- Identify niche visitor segments based on existing product/experiences (e.g., freestyle bikers)
- Create tourism awareness to support ambassador program for local residents
- Research regional/provincial conference and sport events to grow Markham's profile

To attract future tourism investment to Markham

- Conduct product-market match exercise
- Strategy to address infrastructure gaps
- Create investment attraction tools for new investors (visitor stats, developable sites, policies, etc.)
- Support feasibility study for multi-use festival and event infrastructure

Pillar 3: Product and Experience Development

To identify and support major product and experience clusters for Markham

Develop product offering and visitor appeal in four targeted clusters:

1. Sport Tourism
 - Establish Sport Tourism task force; advocate for City support of local sports; work to attract visitor-focused events at Pan Am Centre

2. Retail Centres

- Focus on primary centres: 1) Historic downtown of Unionville, 2) Historic downtown of Markham Main Street, 3) Pacific Mall, 4) First Markham Place, 5) other evolving centres (Markville Mall); advocate for wayfinding; share marketing and digital assets

3. Culinary and Dining

- Position Markham as the Culinary Capital of Asian dining; educate restaurants on visitor friendliness; work with CTA, develop itineraries with events and shopping

4. Hallmark Events and CME

- Focus on Taste of Asia, Unionville Festival, TD Markham Jazz Festival, Markham Music Festival as Hallmark Events for Markham; collect data at events

To establish a diverse mix of exciting and engaging tourism products and authentic experiences

- Establish tourism asset and experience inventory
- Identify assets/products/stories that best combine to create experiences
- Create itineraries to increase existing visitors' length of stay
- Build on culinary to attract visiting friends and relatives, and incorporate outdoor assets

To position Markham as a preferred destination for business, leisure and group events

- Develop and enhance Markham's CME product offering
- Develop Sport Tourism Advisory team to advocate for and grow events
- Collaborate to promote large festivals and events
- Support Markham Pan AM and York University collaboration for large events
- Advocate for bid fund from City's portion of MAT revenues

To develop the hard and soft infrastructure to support Destination Markham's key visitor segments

- Improve wayfinding and navigation to establish Markham as a unified destination
- Expand event infrastructure to support group and event markets
- Feasibility study / needs assessment for a multi-use event centre in Downtown Markham
- Feasibility study / needs assessment for accommodations in historic downtown retail centres
- Support active transportation strategy

Pillar 4: Destination Marketing

To build a unifying and credible corporate identity for DMC

- Bring marketing in house (new staff)
- Develop dedicated marketing strategy to support DMC's mission
- Build awareness of DMC's features and benefits
- Create a corporate brand identity
- Grow awareness of DMC Corporate Brand

To create an appealing consumer visitor brand that heightens awareness of Markham as a unique tourism destination

- Align assets to needs and wants of visitor markets
- Undertake visitor branding exercise
- With partners, grow awareness and excitement of visitor brand identity
- Aggressively market key existing tourism assets and experiences:
 - New product and experience itineraries
 - Culinary
 - Sport tourism
 - Event and festivals
 - Meeting and conferences
 - Group travel
 - Major events

PERFORMANCE MEASURES

To support the implementation of the DMC Strategy, specific measurements will demonstrate that we have achieved the desired outcome.

The action plan provides the basis for measuring performance. Performance metrics link the individual actions in the implementation plan to specific outputs that lead to desired outcomes. Looking at the initial year of the plan, here are some examples of KPIs:

- Pillar #1:
 - Output: Destination Management and Internal Governance Pillar Established
 - Measure: # of initiatives completed in each Strategic Pillar areas (to align with Strategy)
- Pillar #2:
 - Output: Data Tracking & Collection Leads to Destination Enhancements
 - Measure: Analytics dashboard created to monitor DMC success and for use in external stakeholder communication # of visitation data sources used in dashboard
- Pillar #3:
 - Output: Product & Experience Development Pillar Established

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- Measure: Culinary experiences/itineraries established
 - Pillar #4:
 - Output: DMC has a Recognizable Visitors Brand and Identity
 - Measure: # of website visits overall

FINANCIAL CONSIDERATIONS

The current budget is established at \$2.1M funded from the Municipal Accommodation Tax.

HUMAN RESOURCES CONSIDERATIONS

Human resource decisions will be made to fill critical positions and will investigate synergies with City staff.

ALIGNMENT WITH STRATEGIC PRIORITIES:

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

BUSINESS UNITS CONSULTED AND AFFECTED:

Economic Growth, Culture and Entrepreneurship
Finance Department

RECOMMENDED BY:

Chris Rickett
Director, Economic Growth,
Culture, and Entrepreneurship

Arvin Prasad
Commissioner
Development Services

ATTACHMENTS:

- Attachment #1 - Destination Markham Tourism Strategic Master Plan (2023 - 2026)