

Report to Economic Development Committee
Meeting Date: September 3, 2024
Report Title: Tourism Growth Program

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RECOMMENDATION:

Be it resolved that the Economic Development Committee recommends to Council that staff be authorized to submit an application (either alone or in partnership with RTO 9, Leeds Grenville Economic Development, etc.) to the Tourism Growth Program in an amount up to \$250,000 (to be shared with all partners) with at least 50% funding being included in the 2025/2026 budget.

BACKGROUND:

Through FedDev, the Tourism Growth Program (TGP) provides \$108 million over 3 years (2023-2024 – 2025-2026) to support communities, small- and medium-sized businesses and not-for-profit organizations in developing local tourism products and experiences. The RDAs are working in collaboration with provincial and territorial governments and tourism partners to ensure the program is complementary to other supports for the tourism industry, helping to diversify regional economies and contributes to Canada's economic growth.

The TGP contributes to the [Federal Tourism Growth Strategy](#), which charts a course for long-term growth, investment, and stability in Canada's tourism industry, from coast to coast to coast.

Eligible applicants include:

- incorporated small- and medium-sized enterprises (SMEs) operating in the tourism industry
- Indigenous-owned businesses (including Indigenous sole proprietors) or Indigenous tourism organizations
- not-for-profit organizations (including tourism associations and economic development organizations)
- governments (municipal/provincial/territorial and related entities)

Please note: Preference may be given to SMEs this intake.

To benefit as many tourism operators as possible, FedDev Ontario is focusing this intake on new applicants only. Those who have already received funding under the Tourism Growth Program will not be considered for another project.

Eligible activities

Eligible projects should provide added value to existing activities in the tourism industry and focus on business and economic growth. Priority may be given to projects that:

- support the Indigenous tourism industry
- increase tourism benefits for communities by driving visitation from urban areas to rural areas
- support economic, environmental and cultural sustainability
- support active outdoor experiences
- extend the tourism season (e.g., new or expanded tourism offerings outside of the traditional high season)
- complement support provided through provincial programs

Financial assistance

- For small- and medium-sized enterprises contributions will normally be repayable
- For not-for-profit organizations contributions will normally be non-repayable

Other activities could be eligible. Please contact us directly / consult How funding works for additional information on the types of project activities that could be supported and the program's funding parameters.

Ineligible applicants

New Applicants that have been approved for funding under a prior Tourism Growth Program intake.

Businesses or organizations that are not primarily focused on the tourism industry or whose services are not primarily for public use or benefit are normally not eligible applicants. This includes those in the following industries:

- restaurants / food services
- hotel chains
- retail sector
- private leisure facilities/event venues

Funding priorities

We may prioritize funding to projects that focus on one or more of the following program priorities:

- supporting the Indigenous tourism industry
- increasing tourism benefits for communities by driving visitation from urban areas to rural areas
- supporting economic, environmental and cultural sustainability
- supporting active outdoor experiences (e.g., projects that provide more opportunities for physically active tourism offerings such as rock-climbing, trails, watersports, etc.)
- extending the tourism season (e.g., projects that promote and/or develop product, services or experiences with an aim of increasing tourism activity outside the traditional high season or extending their services year-round)
- complement support provided through provincial programs

Eligible activities

The TGP supports communities, small- and medium-sized businesses and not-for-profit organizations to grow and develop local tourism projects that will position Canada as a destination of choice for domestic and international travellers.

If you are a tourism business, examples of supportable activities could include:

- improving/creating new or innovative tourism offerings or products
- investing in digitization or technology integration to enhance productivity, sustainability, efficiency and/or competitiveness
- developing and delivering new products, services or experiences to increase tourism activity outside of the traditional high season or to extend services year-round
- enhancing accessibility, creating a welcoming environment for diverse clientele

If you are a not-for-profit tourism organization, examples of supportable activities could include:

- developing/implementing long-term tourism plans, based on research and market analysis
- improving local assets, facilities, and/or planning for key active outdoor tourism experiences (e.g., projects that provide more opportunities for physically active tourism offerings)
- facilitating the growth of off-season tourism (e.g., promoting tourism products, services and experiences outside of the traditional high-season, supporting the expansion of seasonal tourism to year-round service)
- supporting the delivery of local community festivals and events that attract tourists to a destination
- developing/increasing capacity for tourism businesses to provide inclusive tourism experiences

Funding parameters

Funding is project-based and must result in incremental and measurable outcomes and add value to the existing activities already being undertaken by the applicant.

- Applicants can request up to a maximum of \$250,000 per project. Exceptions may apply.
- Funding is normally offered in the form of a **non-repayable** contribution.
- Eligible project costs are shared between FedDev Ontario and the applicant. Preference may be given to projects that maximize funding from other sources (i.e., where FedDev Ontario's contribution is 50% or less).
 - An applicant's portion of the cost-share (i.e., 50% of eligible project costs) may be comprised of cash contributions and in-kind contributions from other project partners.
- Total government assistance (federal, provincial and municipal) cannot exceed 100% of total eligible project costs.

Key funding conditions

(Excerpt from <https://feddev-ontario.canada.ca/en/funding-southern-ontario/tourism-growth-program-southern-ontario-how-funding-works>)

- An application does not constitute a commitment from FedDev Ontario for financial assistance.
- The contribution amount is subject to availability of funding, and FedDev Ontario reserves the right to make the final determination on the value of the contribution.
- New costs essential to the project. Refer to the Application Guide (For-Profit Applicants) or the Application Guide (Not-for-Profit Applicants) for details.
- Project start and end dates may vary by project but cannot begin prior to September 17, 2024, and must be completed by no later than March 31, 2026.
- Projects that are underway but not yet complete or substantially completed by the time of your application may be considered for support.

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The contribution amount is subject to availability of funding, and FedDev Ontario reserves the right to make the final determination on the value of the contribution.

DISCUSSION:

The Economic Development Committee may recommend that an application be submitted for the Tourism Growth Program.

Applications are being accepted from August 6, 2024, to September 17, 2024, 4:59 pm Eastern Time.

Staff have identified the following subjects for consideration, according to grant criteria. The project budget and timeline are for discussion. Projects must be completed by no later than March 31, 2026.

- Experience Development Project / Invest in Tourism Assets
 - Build towards and celebrate the anniversary of the construction of the Rideau Canal 2026 to 2032
 - Partner to grow Indigenous tourism
 - Target visitation from urban to rural
 - Consider economic, environmental and cultural sustainability
 - Support active outdoor experiences / embrace recreation and the great outdoors
 - Extend tourism season
 - Complement provincial programs

Potential Themes that align with the Federal Tourism Growth Strategy:

- Leverage Canada's Brand (Business, Sport & Culture)
- Focus on rural Canada
- Emphasize geography, biodiversity, wilderness on the edge of cosmopolitan cities, environmental assets
- Promote extensive shoreline
- Feature UNESCO World Heritage Site – Rideau Canal (anniversary in 2026)
- Highlight links to the TransCanada Trail (Catarraqui Trail)
- Include winter sports (speed skating, cross-country skiing, hockey)
- Incorporate museums including Parks Canada's Chaffeys Lockmaster's House and The Old Stone Mill – a National Historic Site
- Build on Farm to Table experiences
- Mention ice rinks (outdoor)
- Encompass major events such as the Lombardy Fair and the Delta Fair – the Oldest continuously operating agricultural fair in Ontario (since 1830)
- Involve Wineries

Potential Partners may include:

- Leeds Grenville Economic Development
- RTO9 Southeastern Ontario
- Frontenac Arch Biosphere (FAB)
- Catarraqui Region Conservation Authority (CRCA)

- Friends of the Cataraqui Trail
- Trans Canada Trail
- Rideau Waterway Land Trust
- Small Halls Festival
- Environment Canada / Fullard Nature Reserve
- Experience providers in Rideau Lakes
- Parks Canada

FINANCIAL IMPLICATIONS:

Should the application be successful, matching dollars would be placed in the 2025 and/or 2026 budget. Contributions may be received from partners.

Options to be discussed.

ATTACHMENTS:

- None.

e-signed

August 29, 2024

 Marie White
 Economic Development & Cultural Heritage Coordinator

 DATE

e-approved

August 29, 2024

 Shellee Fournier
 CAO

 DATE