

Northumberland Economic Development 2010 Business Plan and Budget

Service Mission Statement

To provide leadership and support in coordinated economic development activities throughout Northumberland County in a collegial and cooperative manner in order to secure long term sustainable benefits for all residents.

Service Description

The Economic Development Department provides the following services:

- Information Services: Focal point for investment attraction by providing a single source of data related to Northumberland opportunities as well as sources of provincial and federal assistance to new and existing investment driven initiatives.
 - Referral Services: Support information and cooperative information exchange to individual municipal staff and service providers in support of business retention and attraction.
 - Procurement of provincial and federal funds to support local and regional activities related to strategic infrastructure development.
 - Coordination of Strategic Development Initiatives:
 - (i) agricultural, agri-food, and agri-tourism awareness and activities as defined by the agricultural action plan,
 - (ii) destination development coordination and
 - (iii) broad based manufacturing undertaking in technology, training and product development including “green”.
 - (iv) regional economic development strategies
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Environmental Scan

The current economic environment indicates that Northumberland is faced with challenges which are reflective of current global economic conditions as well as issues specific to Northumberland which include:

- A highly competitive investment attraction environment – specifically SW Ontario, GTA and competing jurisdictions such as the Greater Peterborough and Area Economic Development Commission (GPAEDC) and Quinte Economic Development Commission (QEDC).
- A decreasing number of jobs in the County, despite the population growth – the result of lost manufacturing jobs due to global economics versus the attractiveness of place which draws retirees.
- A lack of serviced industrial land and lack of useable industrial space – which due to plant closures has resulted in an increased inventory as well as communities within Northumberland investing in industrial park development and/or improvement.
- Youth out migration – the result of absence of opportunities to maintain youth, however with levels of educational attainment less than the Provincial average the need to improve quality of workforce is essential.
- Incomes lower than the provincial average – though a potential attractor, also a deterrent to the attraction of high tech/high skill employment based on workforce skills and abilities.
- Limited assessment growth in Northumberland County in commercial and industrial tax assessment resulting in a limited base upon which taxes can be raised relative to infrastructure costs.
- Insufficient tourism infrastructure – with the completion of the Premier Rank Tourism Destination (PRTD) project product development becomes essential.
- High levels of commuting out of the County which may be as a result of limited accessible technology – although current efforts are beginning to reduce this challenge.

Northumberland County Strategic Plan Economic Development Initiatives

In 2008 the County undertook a Strategic Planning Process. The following initiatives are the result of the County's Strategic Planning process and approved by County Council specific to Economic Development:

- Continued involvement with the Eastern Ontario Wardens Caucus (EOWC) to ensure adequate Federal and Provincial funding.
- Increase the mandate and the membership of the Economic Development Advisory Committee.
- Increase the profile and awareness of Northumberland County as a tourist and business destination, by means of regional branding.
- Set goals for a more balanced and improved assessment base and develop initiatives to increase the industrial and commercial assessment ratios.
- Develop a joint task force to acquire Federal and Provincial funding to extend high speed internet services throughout the County.
- Develop opportunities that will enable our agricultural sectors and rural communities to prosper.

As of the end of 2009 a number of these initiatives had moved forward either in whole or in part and are reflected in the proposed initiatives that form the 2010 Business Plan.

Strategic Initiatives 2010

Agriculture, Agri-food and Agri-tourism

Agriculture Action Plan – The market analysis of the county's agriculture industry and an assessment of sector opportunities to support present and future agri-food business resulted in a framework of actionable items. To date nearly three-quarters of the proposed actions are either completed or underway with the balance being integrated in the upcoming year. The following illustrates the on-going commitment to supporting agricultural in Northumberland.

- www.ProudlyNorthumberland.ca - One-Window Ag. Resource for County Stakeholders in the form of a website devoted to the agriculture resources of Northumberland County, including a portal for each of dial-up and broadband users.
- **Proudly Northumberland @ Home** - Work with the HKPR Health Unit and local stakeholders to promote healthy, fresh local food options.

- **Proudly Northumberland Farm Gate Guide** – preparation for 2011 with enhanced opportunities for suppliers and users of local food products and services.
- **OMAFRA Local Food Summit** – participating partner for all local food champions to meet and discuss challenges and opportunities for their regions.
- **Steps to Leadership Program Committee** - a new project from the Centre for Rural Leadership developed in partnership with: 4-H Ontario, The Ontario Rural Council, and the Foundation for Rural Living piloted in Northumberland. Coordinated the offering of two programs that will bring emerging and existing leaders together to share, learn and grow as part of a youth retention strategy.
- **Northumberland Federation of Agriculture (NFA)** – ex-officio member on the Board, providing information and access to services between the two organizations. The quarterly newsletter written by the agricultural coordinator and detailing County agricultural support activities is distributed to the 1000 member NFA and has provided a solid link to the agricultural community.
- **Culinary Tourism** – in conjunction with the chambers of commerce in Northumberland a program to promote ‘culinary tourism’ and ‘foodie’ initiatives in 2010. Numerous projects are under discussion and partnership terms have been agreed upon.
- **Strategic Partnership Initiatives:**
 - Weetabix – since 25% of the wheat used in Weetabix comes from Northumberland County farms discussions are underway to determine the viability of Proudly Northumberland branding
 - Fleming - opportunities for agri-food programs
- **County of Markets Campaign** – based on the success of Ontario Marketing Investment Fund dollars in promoting the five farm markets in Northumberland plans are currently underway to further support and enhance these activities under the culinary tourism banner as well as purchase local campaigns.
- **Green Day Event** – For the agricultural community a one day event which provides insights and information to the farming community regarding alternative energy suppliers. Bio-gas, solar and wind suppliers and current users in multiple forums

Tourism and Destination Development

The Premier Rank Tourism Destination Project resulted in a series of recommendations which are designed to engage tourism stakeholders and support the future development of tourism product in Northumberland. The Tourism Business Plan is quite explicit in detailing the multiple elements as well as the process. The items below are those where economic development and tourism intersect.

- **Technological Initiatives** – to leverage all three core attractors. Explore mobile technology for businesses as a means of viral online marketing. Initiate a central reservation system as a pilot project. Provide ongoing workshops to assist in implementation. Broadband infrastructure remains an essential requirement to undertake this element.
- **Rice Lake Tourism Renewal Strategy** – Creation of a strategy to enhance the outdoor recreation, angling and sport fishing offering which represents one of the key tourism assets of the County. Secured EODP funding to undertake this initiative as well as additional contribution from GPAEDC.
- **Cycle Tourism** – Continue ongoing partnership with Bike Train Initiative and Waterfront Trail. Establish a Cycling Advisory Committee to work with municipal parks & recreation, transportation and tourism departments as well as health agencies to explore cycle opportunities, sustainable transportation and potentially the development of cycling master plan in the near future.
- **Destination Marketing Organizations Role and Responsibilities** – Explore how economic development departments, BIAs and Chambers of Commerce can be more effective by identifying roles and responsibilities.
- **Ontario Regional Tourism Organization – Region 8** – Building upon existing Economic Development ties with GPAEDC and City of Kawartha Lakes to support potential partnerships for regional funding opportunities.

Broad based manufacturing undertakings in technology, training and product development including “green”

- **Agri-food incubator** – in conjunction with the existing business incubator investment in Port Hope source additional public sector funding to support agri-food initiatives as part of the product development process.
- **Capital Pools** – continue to source organizations which provide private sector funding based on the availability of public sector opportunities specific to Eastern Ontario
- **Community Employment Resource Partnership (CERP)** – with the support of EODP funds the CERP initiative in Northumberland provides employers with a no cost option for the solicitation of potential employees. It also provides an opportunity for individuals seeking employment with a local on-line option. Combined with its ability to maintain data the resource provides an accurate representation of Northumberland’s labour situation.

- **Centres of Excellence** – The infrastructure currently exists to support enhanced centres of excellence within the area, especially with activity directed towards agricultural/bio-energy and advanced manufacturing energy technologies sector. Initial investment is required to further the research culture which is being developed.
- **Ontario East Economic Development Commission Sectoral Committees** – These committees provide additional resources to attracting manufacturing interests to the area. Utilizing a third party to vet potential new manufactures to the area has produced multiple leads. Sectoral committees currently exist in advanced manufacturing, food processing, supply chain logistics, tourism and most recently the creative economy.
- **Business Advisory Centre of Northumberland** – continued support of this provincial entity has created opportunities to provide enhanced training and professional development to the small business community.
- **Rural Broadband Enhancement** – provision of service negotiations to provide service in areas as yet not being served and to insure enhanced coverage. Work in conjunction with the Broadband Working Group. Continued project management.

Regional Economic Development Strategies

- **EOWC Economic Development Priorities** – provision of material and related linkages to EOCFDC Network Inc and OEEDC to support regional economic opportunities e.g. Economic Forum, Presentation to FEDDEV Ontario, EODP Regional Projects.
- **Regional Broadband Network** – integration of regional network services via EOWC.
- **Integrated Local labour Market Planning Project** – launch of recommendations includes creation of a virtual Eastern Ontario research institute. Negotiations currently underway to determine private sector sponsorship and coordination with Queen's University regarding rural policy research
- **International Youth Business /Cultural Initiative** – funding is currently being sought to support tow three month stays of 20 Korean graduate students to be integrated into the local business community. A pilot project to be coordinated through the Community Training and Development Corporation it would create an opportunity to employ 10 local youth for a period of 6 months.

Human Resource Allocation

The department will seek to fill the current vacancy re: Economic Development Information Coordinator by March 2010. With funding available through the EODP the department has secured a Youth Intern for the period January – August 2010.

Closing Commentary

The Business Plan is aggressive. Furthermore it reflects multiple activities at multiple levels and provides members of council with an indication as to the scope of departmental activity. It is designed to address outstanding challenges at a time of economic uncertainty by maximizing any and all available public sector funds currently designed to stimulate the economy. The Economic Development budget consists of operational costs with the exception of funds dedicated to broadband related activity. In addition the departmental budget reflects funds that are ear-marked as reserve funds for projects which may take place in the course of the upcoming year which could be used to leverage public/private sector dollars. As noted in the attached issue paper these funds would be targeted towards specific initiatives and utilized only with the approval of council.

Notes to Budget

Discretionary Items

Revenue:

- Transfer from Corporate Budget: Reserve **\$1500K**

Expense:

- Transfer to Reserve
 - Agri-food Incubator Equipment : \$100K
 - Proposed Tourism Technology: \$ 50K

2010 Issue Paper 1

Economic Development

Purpose

To request reserve funds to be transferred to the Economic Development budget in the amount of \$150,000.00

Background

The Economic Development department has identified two potential areas of opportunity that could assist in economic renewal. Both of these opportunities one in business incubation in support of agri-food and the other in tourism technology could have significant impacts on two of the major economic development drivers in Northumberland.

The request for the transfer to reserve being earmarked for these two specific economic development activities is based on the current funding opportunities that exist which require funding in order to leverage funding.

As noted in the business plan the utilization of this funding would be at the approval of council since it will be linked to larger initiatives which are seeking match or partially matched funding commitments. The department requests approval for the transfer as a permanent feature of the economic development budget since annually there will be opportunities which arise that spur economic development initiatives and the presence of this funding allows for a rapid response.

Financial Implications

Transfer and use of said funds are dependent upon securing addition public and/or private sector commitments.

Recommendation

To support the transfer of funds in the amount of \$150,000 to be held in reserve and utilized on a project driven basis

Northumberland Tourism 2010 Business Plan and Budget

Service Mission Statement

Our commitment is to provide leadership to the overall economic well being of tourism within Northumberland. Our goal is to position Northumberland County as a viable four-season tourism destination, through promotion and integrated marketing strategies aimed at motivating consumer visits and spending throughout the year. This will be undertaken in a spirit of cooperation to create an environment for the development of the County's tourism industry.

Service Description

Promotion

Develop and implement promotional programs which build year-round awareness of Northumberland; motivate and attract new tourists, encourage repeat visitation and increase overnight stays.

Consumer & Industry Services

Respond to consumer and travel trade inquiries and needs. Provide tourism information and customized fulfillment packages, encouraging a conversion of an interest in travelling to one of actual visits.

Provide industry support services and professional development for tourism businesses.

Strategic Development

Initiate research which will validate consumer demand and support industry investment and growth.

Current Situation

Core Attractors

The tourism sector of Northumberland County continues to be a major contributor to our local economy. Offering a diverse range of four season tourism experiences from cultural to natural heritage, the key reasons visitor travel to Northumberland i.e. core attractors:

- Outdoor recreation experience
- Angling and sport fishing experience
- Rural landscape, picturesque towns and culture experience

Northumberland County's tourism profile*:

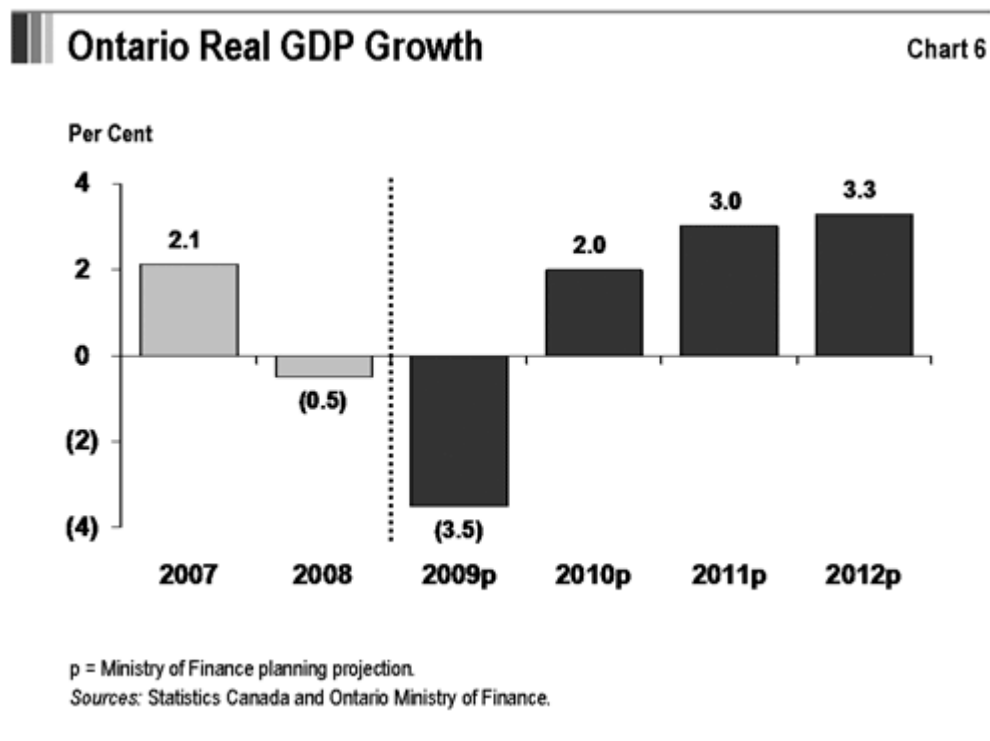
- \$111.7 Million in visitor spending
- 1.33 million person visits annually
- 61% same-day visits and 39% overnight visits
- Same-day visitors: 97% * Ontario
- Overnight visitors: 84% Ontario, 9% US, 4% other provinces, 3% overseas
- Average length of stay from Ontario visitors: 2.1 nights
- Top 6 activity participations for same-day visitors: boating, sports event, fishing, festivals/fairs, cultural performances, historic sites
- Top 6 activity participations for overnight visitors: boating, historic sites, fishing, cultural performances, museums/art galleries

* 2007 Statistical information compiled by Ministry of Tourism

Environmental Scan

Trends

- Ontario's economy is expected to grow at 2.0%, 3.0% and 3.3% annually between 2010 and 2012, and it is forecasted that person visits to Ontario will rise at an average annual growth rate of 1.3%, 1.8%, and 1.7% over the forecasted period. Positive growth in tourism spending is forecasted starting from 2010.



- With \$22 billion annually in visitor expenditures in Ontario, tourism is larger than agriculture and the resource industries (forestry, fishing, mining, oil and gas) combined.
- The social-demographic characteristics travel needs and interest, travel characteristics of visitors to Northumberland County is changing as the number of new Canadians and recent immigrants who are settling in the greater Toronto area increases.
- Social media continues to prove to be the most effective means of communicating and marketing travel to destinations. Now mobile technology is leading the way to viral marketing. Consumers are looking for easy, fast, fun digital solutions for planning and booking vacations.

Challenges

- The growth of Northumberland's tourism industry requires investment and development in the industry's product, infrastructure and people. A **Northumberland destination development strategy** needs to be developed and implemented by both private and public sector partners to build new opportunities, stronger partnerships and encourage business growth.
- A "better together" Northumberland culture needs to be adopted. Cross-municipal cooperation and "permeable" tourism boundaries will support and better serve Northumberland's industry. This will be crucial as the provincial government establishes Regional Tourism Organizations across Ontario.
- During its initial introduction, the Harmonized Sales Tax (July 1, 2010) may weaken consumer spending.
- To better serve, develop and market the destination, Northumberland needs to develop a strategy to grow tourism financial and human resources. Northumberland's public sector tourism organizations receive insufficient funding to sustain awareness and motivate travel from target markets.
- Culture of hospitality excellence needs to be adopted by entire industry. Inconsistency in standards and customer service level.
- In order to sustain competitiveness, Northumberland's tourism sector needs to adopt and integrate digital technology for marketing and e-commerce. Smaller businesses have limited knowledge and resources i.e. time/money to invest in web marketing.
- New MNR fishing regulations on catch limits for panfish and extension of fishing season for some fish may affect visitation to Rice Lake.
- It will be important for the tourism sector to understand the opportunities and shifts in travel needs as well as interests and adjust their product or service and marketing accordingly.
- Decline in number of tourist accommodations i.e. recent closures of bed & breakfast establishments and cottage rental properties.
- Little collaboration amongst event organizers in coordinating dates of tourism festivals. Increase tourism revenues by developing strategies to leverage these events to increase overnight stays and ensure capacity with accommodation and services.
- Few active partnerships amongst tourism businesses. This needs to increase in order to build business opportunities.

2010 Strategic Initiative

Our goal is to position Northumberland's tourism sector to benefit from trends, leverage our core attractors and provide the necessary leadership to overcome the identified challenges.

Destination Development

The County's tourism department proposes that destination development be included as a new component to the department's current service description (as outlined on page 1).

The successful completion of the Northumberland County Premier-ranked Tourist Destination (PRTD) project identified recommendations which would increase Northumberland's competitiveness in the tourism marketplace. One of the key recommendations is to develop a 3-year destination development strategy (not marketing) to support industry and product development, investment attraction, address current gaps in the quality of the tourist experience and to develop strategies to leverage and support long term development and increase the economic impact of underdeveloped or underperforming tourism assets. This recommendation is aligned with the department's service description to encourage repeat visitation and increase overnight stays.

Our goal is to facilitate and support this as a county-wide public/private sector collaborative process and seek resources to ensure successful implementation. A Destination Development Task Team and Destination Development Leadership Committee will develop a 3-year strategy by late spring 2010, leading to an action plan. To ensure this success of this process, the department recommends a destination development coordinator contract position for a period of one year.

Listed below are projects supported by the PRTD study and are being implemented. Other projects arising from the Destination Development strategy will be identified later in spring.

- **Technological Initiatives** – to leverage all three core attractors. Explore mobile technology for businesses as a means of viral online marketing. Initiate a central reservation system as a pilot project. Provide ongoing workshops to assist in implementation.
- **Culinary Tourism** – Support *Proudly Northumberland*TM and industry development of culinary tourism.
- **Sports Tourism** – Establish a Sports Tourism Task Team to fully explore opportunities available from this growing market segment.

- **Tourism Awareness** – Create strategies to increase the awareness of the importance of tourism among key influencers and general public.
- **Visiting Friends and Relatives campaign** – Capitalize on the VFR market segment by creating a program that encourages residents to become ambassadors.
- **Rice Lake Tourism Renewal Strategy** – Creation of a strategy to enhance the outdoor recreation, angling and sport fishing offering which represents one of the key tourism assets of the County.
- **Cycle Tourism** – Continue ongoing partnership with Bike Train Initiative and Waterfront Trail. Establish a Cycling Advisory Committee to work with municipal parks & recreation, transportation and tourism departments as well as health agencies to explore cycle opportunities, sustainable transportation and potentially the development of cycling master plan in the near future.
- **Destination Marketing Organizations Role and Responsibilities** – Explore how economic development departments, BIAs and Chambers of Commerce can be more effective by identifying roles and responsibilities.

Ontario Regional Tourism Organization – Region 8

In an effort to create a more coordinated and competitive tourism industry, Ontario's provincial government is working towards establishing 13 Regional Tourism Organizations (RTO) by February 2010, and commencing in April 2010 ongoing funding will be available for these regions. Northumberland County will be part of Region 8 which includes and formalizes tourism partnerships with Peterborough County and City of Kawartha Lakes. As this is being developed, Northumberland's annual tourism plan will include marketing and development initiatives with Peterborough County and City of Kawartha Lakes with a focus on cross-regional cooperation and collaboration.

Commitment and participation from respective partners is paramount. Initial efforts will focus on: developing governance; determining the organization to lead and grow the industry within the three regions and ensuring it remains competitive well into the future; and creating a regional tourism plan for 2010-11. Stakeholder planning sessions may ensue.

Ongoing Tourism Initiatives:

Northumberland Tourism will continue to provide leadership through marketing to stimulate consumer visits and spending and is committed to support a collaborative environment with industry partners. Regional branding is critical to increase the profile and awareness of Northumberland County as a tourist destination.

- Collaborate with tourism stakeholders and the Tourism Advisory Committee, with implementation of tourism strategies.
- Support to new tourism developments which enhance Northumberland's economic growth.
- Develop a marketing communication strategy which includes web marketing, promotion, advertising and specialty publications all of which respond to current consumer interests e.g. motorcycle prime roads, driving tours, outdoor adventure map, etc...
- Continue to develop social media strategy as an integral means of marketing. Strengthen a presence on social networks e.g. establish a Northumberland Tourism Facebook presence.
- Work in tandem with travel trade organizations and business to increase tourist visitation e.g. partner with in-bound travel operators to attract more group tours.
- Explore partnerships with public and private tourism sector to build business opportunities and leverage tourism marketing dollars. Continue to research and seek funding resources to support new initiatives.
- Collaborate and partner with Ministry of Tourism and their marketing agency the Ontario Tourism Marketing Partnership Corporation to heighten Northumberland's profile.
- Continue to build the tourism digital photo library to enhance communication strategies and to support external efforts to profile Northumberland through the tourism sector, travel media or tourism/government agencies.
- Manage tourism call center, respond to consumer & travel trade inquiries to convert interest to actual visits.
- Support businesses through professional development seminars. Provide support resources in research and marketing through industry website www.northumberlandcounty.ca/TourismPartners

The 2010 Tourism budget reflects increased activity in various marketing initiatives. In order to implement new initiatives in destination development and provide support in other areas of activity, the 2010 budget also reflects additional funds for a six month contract position for a destination development coordinator. The Economic Development and Tourism department intends to leverage this budget amount with other government funding to extend the contract position for an additional 6 months. Refer to issue paper.

2010 Issue Paper 1

Northumberland Tourism

Purpose

The purpose of this report is to provide a recommendation to support the allocation of funding from the corporate base budget to tourism.

Background

With the completion of the Premier Rank Tourism Destination (PRTD) project a series of recommendations have come forward. Included within these recommendations are activities related to the implementation of new initiatives specific to destination development. These include:

- **Technological Initiatives** – to leverage all three core attractors. Explore mobile technology for businesses as a means of viral online marketing. Initiate a central reservation system as a pilot project. Provide ongoing workshops to assist in implementation.
- **Sports Tourism** – Establish a Sports Tourism Task Team to fully explore opportunities available from this growing market segment.
- **Rice Lake Tourism Renewal Strategy** – Creation of a strategy to enhance the outdoor recreation, angling and sport fishing offering which represents one of the key tourism assets of the County.
- **Cycle Tourism** – Continue ongoing partnership with Bike Train Initiative and Waterfront Trail. Establish a Cycling Advisory Committee to work with municipal parks & recreation, transportation and tourism departments as well as health agencies to explore cycle opportunities, sustainable transportation and potentially the development of cycling master plan in the near future.
- **Destination Marketing Organizations Role and Responsibilities** – Explore how economic development departments, BIAs and Chambers of Commerce can be more effective by identifying roles and responsibilities.

In order to accommodate these activities as well as continue the increased marketing activities of the department additional resources will be required.

The department requests approval for the creation of a Destination Development Coordinator contract position for a period of one year.

Financial Implications

The costs attributed to this one year contractual position are \$60,000, of which an amount of \$30,000 is being requested from the corporate base budget. The remaining balance required to maintain the position for the period of one year would be leveraged from a combination of provincial and federal program funds.

Recommendation

To support the allocation of funds in the amount of \$30,000 for the designated position required to advance the recommendations of the PRTD project.