

City of Mississauga Corporate Report



Date: May 24, 2022 To: Chair and Members of General Committee	Originator's files:
From: Jodi Robillos, Commissioner of Community Services	Meeting date: June 15, 2022

Subject

Tourism Mississauga Contribution and Sponsorship Agreements

Recommendation

That the Manager of Tourism and Director of Tourism or their delegates be authorized to negotiate and execute contribution and sponsorship agreements, including any amendments or ancillary documents, in their respective capacities as Tourism Manager (up to a value of \$100,000) and Chief Executive Officer (up to a value of \$500,000) with external organizations on behalf of Tourism Mississauga in a form satisfactory to Legal Services, pending a signing authority policy that is approved by the Tourism Board for Tourism Mississauga and Council, as outlined in the corporate report from the Commissioner of Community Services, dated May 24, 2022 entitled "Tourism Mississauga Contribution and Sponsorship Agreements."

Executive Summary

- Tourism Mississauga is a Municipal Services Corporation that was formed to promote tourism in the City of Mississauga. The Corporation is controlled 100 per cent by the City, funded by Municipal Accommodation Tax (MAT), with Council acting as the sole voting member.
- To continue advancement of the Tourism Master Plan, Tourism Mississauga strives to attract and support events that have the potential to bring direct and/or indirect economic benefits to the City. Part of this is accomplished through the provision of funding and/or in-kind support for festival, sporting and business event organizers.
- To be awarded as an event host, cash, in-kind, and/or marketing support is typically a mandatory requirement and with the quick pace of the tourism industry, an offer may be required sooner than Council authority can be obtained.

- To swiftly respond to new opportunities, a policy will be developed that provides the Manager of Tourism and Director of Tourism authority to execute contribution and/or sponsorship agreements in their respective capacities of Tourism Manager and Chief Executive Officer of Tourism Mississauga. This proposed policy will be presented to the Tourism Board and Council for approval. In the interim, Council's approval of the recommendations as set out in this report will greatly assist Tourism Mississauga in their efforts to secure events and work within required timelines of industry partners.
- Tourism Mississauga has no impact on City of Mississauga ("City") budget, as it is funded entirely from the MAT reserve.
- As authorized by By-law 0042-2020, the City and Tourism Mississauga will extend the Relationship Agreement dated June 8, 2020 for one (1) additional term of three (3) years on the same terms and conditions as set out in the Relationship Agreement.

Background

Tourism Mississauga, the destination marketing organization for Mississauga, was established following Council approval in July 2019 for the purposes of promoting Mississauga as a tourist destination and to comply with provincial regulations regarding Municipal Accommodation Tax use of funds (MAT). The Corporation is controlled 100 per cent by the City, funded by Municipal Accommodation Tax (MAT), with Council acting as the sole voting member.

Since its establishment, Tourism Mississauga has been actively advancing the goals of the Tourism Master Plan. Included in this direction is the provision of funding for festival, sporting and business events organizers to attract and support events that have the potential to bring direct and/or indirect economic benefits to the City. Support is also provided to various tourism industry partners including accommodations, retail, restaurant, attractions and transportation services.

Critical to future growth is the ability to respond to new opportunities as quickly as industry competitors. With rapidly changing tourism trends and the development of new digital platforms, marketing efforts are constantly evolving to keep pace with numerous vendors competing over the same media space. Many opportunities, such as sponsorships arise with little notice and require a response within a very short timeframe. Therefore, it is imperative that Tourism Mississauga proactively enhance efficiencies to ensure its ability to remain competitive and work within required timelines of industry partners.

To secure some of these events, potential hosts are required to put forth a proposal that will entice the organizer to choose their location over another city or international competitor. Cash, in-kind and/or marketing support are often times a mandatory requirement with a minimum amount that exceeds \$100K. In a sports bid for example, hosts are typically required to offer \$200K-\$400K to help offset some of the event costs.

If Mississauga has an appropriate venue to accommodate an upcoming event, the offer amount is aligned with Tourism Mississauga's event matrix to ensure the number of hotel room nights garnered will meet the target economic impact. Quite often the economic impact is more than ten-fold. For example, the PlayON road hockey tournament has determined through their research and data an estimated economic impact of \$3.3M per event. If the response time to place a bid on an event is generally less than few weeks, the process of obtaining Council authority creates a missed opportunity.

An example of a contribution opportunity for Tourism Mississauga is the tourist attraction Illumi – A Dazzling World of Lights. This attraction is a nocturnal outdoor journey created from thousands of monumental light sculptures, and is presented by Cavalia, a company specializing in the creation, production and marketing of live shows and large-scale events. Although Tourism Mississauga has been successful in incentivizing Cavalia with an investment for their 2021 and 2022 shows, there is an opportunity to improve efficiencies in the administration process to better position Tourism Mississauga in securing future contracts.

Comments

Staff recommend that the Manager of Tourism be authorized to negotiate and execute agreements valued up to \$100,000 and the Director of Tourism be authorized to execute contracts valued up to \$500,000 on behalf of Tourism Mississauga in their respective Tourism Mississauga capacities as Tourism Manager and Chief Executive Officer. Regular reporting on events and partnerships will continue to occur at the Tourism Board and with Council.

Given the uniqueness of the Tourism sector, there needs to be flexibility in this area to be able to respond proactively and reduce barriers when entering into high value contribution and/or sponsorship agreements.

To swiftly respond to bid opportunities and request for proposals a policy will be developed that provides the Tourism Manager and Tourism Director, authority to execute contribution and/or sponsorship agreements on behalf of Tourism Mississauga in their respective Tourism Mississauga capacities as Tourism Manager and Chief Executive Officer. This proposed policy will be presented to the Tourism Board and Council for approval. Council's approval of this initiative and the recommendations as set out in this report, will support Tourism Mississauga in the short term while it works to develop the policy to address this need.

Relationship Agreement

Mississauga Operating Model O. Reg. 435/17 requires the City to enter into an agreement with Tourism Mississauga, respecting reasonable financial accountability matters in order to ensure that amounts paid to the entity are used for the exclusive purpose of promoting tourism. On March 4th, 2020, Council passed By-law 0042-2020 authorizing the Commissioner of Community Services to enter into a two year relationship and funding agreement with Tourism Mississauga, with an option to renew for an additional three year term. The June 8, 2020

Relationship Agreement, which provides for matters such as use of resources and reporting, is approaching expiration of the term. As authorized by By-law 0042-2020, the City and Tourism Mississauga will extend the agreement for one (1) additional term of three (3) years on the same terms and conditions as set out in the original agreement.

Financial Impact

Tourism Mississauga has no impact on the City tax levy as it is funded entirely from the MAT reserve; specifically 50% of the net annual MAT collected that is legislated to be directed to a not for profit tourism entity.

Conclusion

Tourism Mississauga has been established as a destination marketing organization for Mississauga, with the mandate to continue the successful implementation of the Council-approved Tourism Master Plan. Council's approval to authorize the Manager of Tourism and Director of Tourism to execute contribution and sponsorship agreements in their respective Tourism Mississauga capacities as Tourism Manager and Chief Executive Officer as set out in this report, will considerably assist Tourism Mississauga to quickly respond to opportunities in the immediate and future term and improve collaboration with industry partners to enhance tourism activities in the City.



Jodi Robillos, Commissioner of Community Services

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