Ontario Tourism Infrastructure Research Study

February 2009

Prepared for:
Ministry of Tourism
Ontario Tourism Competitiveness Study

Prepared by:
Malone Given Parsons Ltd.
140 Renfrew Drive, Suite 201
Markham, ON
L3R 6B3

HDR Decision Economics
480 University Avenue, Suite 404
Toronto, ON
M5G 1V2
Although copyright in the research papers is held by the Queen's Printer for Ontario, the papers were prepared by external companies and their conclusions do not necessarily represent the views of the Government of Ontario. The research papers were commissioned by the Ontario Ministry of Tourism for the Tourism Competitiveness Study and as such their conclusions are intended for this purpose only and shall not be relied-upon by third parties.

ISBN 978-1-4249-8936-2 (PDF)
Introduction and Objective

The early years of the 21st Century have brought many impacts to consumer confidence and the tourism industry in Ontario. These include the events of September 11, 2001, the outbreak of SARS, appreciation of the Canadian dollar and the current recession. Despite these events, there have been some major developments for Ontario that have helped offset these negative shocks—new and expanded cultural facilities in Toronto; conventions centres in Niagara, Windsor and Ottawa; new resorts in Muskoka; reinvestment in provincially owned attractions; and a growing calendar of festivals and events. Notwithstanding these recent investments, most of Ontario’s tourism infrastructure is now at or nearing the end of its lifespan.

While tourist attractions form a powerful component of the supply side of tourism—enticing, luring and stimulating interest in travel—they are only one component of the necessary tourism infrastructure. Investment in supporting businesses (e.g., hotels, transportation companies), soft infrastructure (e.g., local community colleges, universities, and trade and professional associations) and hard infrastructure (e.g., roads, airports, marinas, water and sewer lines, and telecommunications) is the key to developing a successful tourism destination. Their interdependence dictates a need for a strategic wide-angle approach to tourism infrastructure development.

The Ontario Ministry of Tourism commissioned Malone Given Parsons Ltd. with HDR Decision Economics to develop frameworks for identifying and prioritizing tourism-specific and transportation infrastructure projects, and a funding framework for supporting investment in tourism-specific infrastructure.

The main objective of this assignment was to provide the Ministry of Tourism with recommendations for a tourism driven infrastructure strategy that will:

- Inform the Ministry’s understanding of the current state of and gaps in Ontario’s tourism related infrastructure;
- Guide government decisions for supporting and prioritizing tourism-specific and transportation (access) infrastructure projects; and
- Help to maintain the competitiveness and growth of Ontario’s tourism industry.
Background to Assignment

In March, 2008 the Province of Ontario launched the Tourism Competitiveness Study. Its goal is to help ensure the province can compete in the global market for tourism activity by taking advantage of new opportunities. The three main objectives of the study are: getting all Ontarians talking about the future of Ontario tourism; raising the tourism industry’s profile; and designing a strategy that identifies clear actions for industry and clear roles for all levels of government.

This paper contributes to the third objective by proposing recommendations for a tourism driven infrastructure strategy.

Scope of Work

This infrastructure research study report addresses tourism-specific infrastructure and access (transportation) infrastructure. The latter is integrated into the report analysis and recommendations, and supported by its own analysis as provided in Appendix E to the report. The study scope is outlined below:

Tourism-Specific Infrastructure:

- Identification of tourism-specific infrastructure development and funding best practices including those related to public-private partnerships in key jurisdictions;
- A review of secondary sources of information pertaining to tourism trends;
- A review of existing Premier-ranked Tourist Destination reports and the annual reports of provincially owned tourism agencies, attractions, convention centres and parks to identify infrastructure needs and gaps;
- Consultations with government services consultants and key tourism organizations and associations to identify infrastructure needs and gaps;
- Examination of capital funding programs provided by federal, provincial and international governments; and
- An analysis of the Ontario Government’s owned and operated travel information service infrastructure.

Access (Transportation) Infrastructure (Appendix E):

- Identification and assessment of five jurisdictions that have experienced growth through transportation infrastructure improvements;
- Identification of criteria and rating approaches for assessing transportation
infrastructure connectivity in and between regions;

- Assessment of the travel patterns of Ontario tourists to identify the major connection points for transportation infrastructure; and

- A literature review to identify how transportation infrastructure impacts tourist visitation and investment in the tourism sector.

Overview

The *Tourism Infrastructure Research Study* examines best practices in tourism infrastructure development and funding, identifies gaps in the current physical plant in each of Ontario’s twelve tourism regions and at Ontario’s provincially owned facilities, analyzes the current infrastructure in provincial travel information centres, and recommends a framework for identifying, prioritizing, and funding tourism-specific infrastructure.

Appendix E: *Access (Transportation) Infrastructure* builds on these findings and develops a framework for tourism public policy assessment of transportation projects from a tourism perspective. It shows that the generalized cost of travel in and between Ontario’s tourism regions is an important lever to aid the future development of tourism. By reducing the cost of travel through more, faster, or easier access the Government of Ontario can remove the barriers to:

- Attracting non-domestic visitors to gateway centres then dispersing them to surrounding areas; as well as

- Pulling the domestic traveller from major centres out into regional surrounding areas and the larger province.

This ultimately leads to definition of a cost-effectiveness framework for prioritizing transportation initiatives from a tourism perspective.
# EXECUTIVE SUMMARY

## 1.0 INTRODUCTION

1.1 Organization of the Paper

## 2.0 TOURISM INSIGHTS – TRENDS IN TOURISM IMPACTING INFRASTRUCTURE DEVELOPMENT

2.1 Ontario Tourism Outlook 2008-2012
2.2 Visitation by Region 2012
2.3 Activities by Canadian and American Travelers
2.4 Rating Ontario’s Products
2.5 Important Considerations in Choosing a Destination
2.6 Emerging Geographic Markets
2.7 Rating of Ontario by Service Type
2.8 Summary/Implications

## 3.0 NEEDS-BASED GAP ANALYSIS

3.1 Ontario’s Government Owned Attractions and Agencies
3.2 Ministry of Tourism Attractions and Agencies
3.3 Ministry of Culture Tourism Attractions and Agencies
3.4 Ontario Parks
3.5 Infrastructure Gaps by Tourism Region

## 4.0 TRAVEL INFORMATION CENTRES

4.1 Background
4.2 Purpose of Visitor Information Centres
4.3 Trends in Service Provision
4.4 Trends in Ontario Visitations
4.5 OTICs
4.6 Recommendations

## 5.0 TOURISM INFRASTRUCTURE DEVELOPMENT AND FUNDING BEST PRACTICES

5.1 Infrastructure Development Frameworks in Other Jurisdictions
5.2 Infrastructure Funding Programs in Other Jurisdictions
5.3 Innovations in Funding
5.4 Criteria in Funding Decisions

## 6.0 TOURISM SPECIFIC INFRASTRUCTURE DEVELOPMENT FRAMEWORK

6.1 Introduction
6.2 Definitions
6.3 Goals for the Framework
6.4 Recommended Tourism Infrastructure Development Framework

## 7.0 FUNDING MECHANISM AND STRUCTURE

7.1 Why a Funding Mechanism?
### TABLE OF CONTENTS

7.2 Definitions............................................................................................................... 7-1
7.3 Goals for the Funding Mechanism and Structure ................................................. 7-2
7.4 Proposed Funding Mechanism............................................................................. 7-2
7.5 Proposed Mechanism Structure......................................................................... 7-3
7.6 Current Funding Programs Available to Ontario................................................. 7-8

8.0 KEY STRATEGIES............................................................................................... 8-1
  8.1 A Strategic Context .......................................................................................... 8-1
  8.2 Defined Infrastructure Priorities ...................................................................... 8-1
  8.3 An Integrated “Whole Government” Approach............................................... 8-5
  8.4 An Implementing Framework ......................................................................... 8-6
  8.5 Future Research............................................................................................... 8-10

### FIGURES

2.1 Inbound Travel Forecast 2008-2012 (000s) ....................................................... 2-1
2.2 Ontario’s Travel Regions .................................................................................... 2-3
2.3 Person-Visits by Travel Region 2012................................................................. 2-4
3.1 Ontario’s Tourism Regions .............................................................................. 3-6
4.1 Location of OTMPC Travel Information Centres ............................................ 4-1
4.2 Ontario Travel Information Centres Annual Visitation, 2000-2007 .................. 4-2
4.3 Visitors Origin .................................................................................................. 4-5
8.1 Key Features in the Primary Tourism Zone ...................................................... 8-3
8.2 Key Features in Northern Ontario ................................................................. 8-4

### TABLES

2.1 Top Ten Activities by Canadian and American Travelers ................................ 2-5
2.2 Rating Ontario for Specific Trip Types............................................................ 2-6
2.3 Important Considerations in Choosing a Destination ....................................... 2-7
2.4 Rating of Ontario by Service Type .................................................................. 2-9

### BIBLIOGRAPHY

### APPENDICES

A. List of Stakeholders and Industry Experts Contacted
B. Interview Guides
C. Tourism Infrastructure Frameworks in Other Jurisdictions
D. Tourism Infrastructure Funding in Other Jurisdictions
E. Access (Transportation) Infrastructure
EXECUTIVE SUMMARY

1.0 Introduction

The Ontario Tourism Infrastructure Research Study examines best practices in tourism infrastructure development and funding, identifies gaps in the current physical plant in each of Ontario’s twelve tourism regions and at Ontario’s provincially owned agencies, attractions, convention centres and parks, analyzes the current infrastructure in provincial travel information centres, and recommends a framework for identifying, prioritizing, and funding tourism-specific infrastructure. Its supporting Appendix E undertakes a similar analysis focussed on transportation infrastructure, and concludes with an analytical model with which to assess transportation projects from a tourism benefits perspective.

2.0 Tourism Insights

Ontario’s growth in visitation is expected to average just slightly more than one per cent per year for the next five years implying that the required capacities of Ontario’s tourism-specific infrastructure will remain fairly constant over the period. This lacklustre growth will likely suppress investment in new construction of tourism-specific infrastructure.

By 2012, inbound visits are estimated to reach 117.5 million of which approximately 80 per cent will be concentrated in six of Ontario’s 12 tourism regions—Toronto and Area, Central Ontario, Southwestern Ontario, South-Central Ontario, Niagara Region, Ottawa Region. Investment, particularly by private sector developers, typically occurs in areas of high demand and it can therefore be presumed that any further development is most likely to occur in Toronto and the surrounding regions.

TAMS research indicates that American and Canadian travellers are not motivated to take trips of one or more nights by single activities. Having “lots of things for adults to see and do” is a highly important consideration in choosing a vacation destination. This implies that individual destinations must offer a diversity of activities if they are to provide visitor satisfactions and reinforces the need to develop strong regional tourism complexes.

A second highly rated consideration in choosing a destination is “convenient access by car”. This has implications for Southern Ontario where road congestion is a major issue and for Northern Ontario where the state of repair of the highway network is a deterrent to the region’s competitiveness.

One of the most consistent findings of Ontario’s Travel Intention Studies is the traveller’s rating of Ontario’s tourism products. Since 2005 “enjoy nature / outdoors” has received the highest rating. If Ontario is to build on this strength, there are implications for infrastructure development in small town Ontario, not only in terms of attractions, accommodations, amenities and activities, but
also in terms of hard infrastructure such as sewers, electricity, water supply and landfills.

Ratings of Ontario by American and overseas visitors are generally favourable especially among overseas visitors. However, among Americans, nearly as many rated Ontario’s transportation, accommodations, value for money and variety of things to see and do as “average” or “poor” as did those rating it as “good”. To be competitive, Ontario’s perceived quality of services must exceed that of competitor destinations.

3.0 Needs-Based Gap Analysis

The current state of Ontario’s tourism-specific infrastructure is a barrier to:

- Attracting non-domestic visitors to gateway centres then dispersing them to surrounding areas; as well as
- Pulling the domestic traveller from major centres out into regional surrounding areas and the larger province.

The highest potential infrastructure, that is, tourism infrastructure that has the uppermost likelihood of generating economic returns and tourism sector growth / investment is therefore infrastructure that facilitates efficient and affordable access to areas with an existing critical mass of tourism product (attractions, accommodations, amenities and activities)—Ontario’s primary tourism zone (Toronto and Area, Central Ontario, Southwestern Ontario, South-Central Ontario and the Niagara Region)—and the Ottawa Region.

In developing these access solutions, priority should be placed on modes of transportation that do not contribute to road congestion and can be incorporated into the tourist experience—high speed rail, marine and air travel and shuttle buses. Continual enhancement of Ontario’s trail network should be seen not only as product development, but as part of the solution to access.

Waterfront/waterway development should be a strong part of the strategy to attract visitors to gateways and then push them to the regional surrounding areas. Development priorities should be given to areas that have a sufficient tourism product to support the development—Toronto, Thunder Bay, Sault Ste. Marie, and Kingston. In the case of waterway development, priority should be placed of those systems that have departure and terminus nodes that have ample regional tourism product such as the Trent-Severn Waterway System and Rideau Canal.

A critical third element of a strategy to attract and disperse tourists is the provisions of visitor information. Visitor information centres play a significant role on the marketing continuum—consumer marketing draws the tourist to the destination; visitor information centres aid in dispersing them to the surrounding areas and broader regions. They also serve to reduce the perceived distances between destinations, a major problem in many parts of Ontario. To
be effective and efficient, visitor information centres must be strategically placed, operate as a partner network and be the responsibility of the host region, galvanizing the relationship between tourism operators and the community.

High-speed internet is crucial to the economic well-being of many business owners, including tourism operators. Development of broadband capabilities in rural areas can help create new opportunities for economic development in these regions and as such is a high potential infrastructure opportunity.

The closure of the identified gaps in accommodations and attractions (with the exception of government owned agencies and attractions) should not be government driven, but rather the result of market-induced and industry-led initiatives. Here, the Government’s role should focus on indirect inducement rather than direct intervention and should not have a strong orientation towards directly subsidizing individual businesses.

Government owned and funded agencies and attractions have the potential to generate economic returns and tourism sector growth and investment. While only a few are considered international icons, all of the government’s agencies and attractions contribute significantly to the regional complex and have a positive impact on tourism.

### 4.0 Ontario’s Travel Information Centres

During the needs-based gap analysis phase of this project (see Section 3), visitor centres were identified as a major gap in Ontario’s tourism-specific infrastructure—the major issues being the number and location.

The majority of OTMPC’s Ontario Travel Information Centres are located at border crossings servicing a market that over the past few years has declined sharply and is anticipated to decline further.

Best practices in other jurisdictions indicate that successful tourist destinations provide in-market visitor servicing through regional networks of provincial/state, and local visitor centres strategically located in clearly branded locations that support the travel patterns of visitors.

Based on best practices, an approach could be:

1. Creating a new partnership with other travel centres across the province (provincial, regional, and local) with established service standards (accreditation) and a new visual identity.

2. Focus should be on clearly branded locations that support the travel patterns of visitors including non-traditional high volume locations such as attractions, airports and shopping malls.
Comprehensive tourism infrastructure frameworks were examined in four jurisdictions. Common elements were identified to provide an understanding of best practices in tourism infrastructure framework development and implementation. The four jurisdictions considered were:

- State of Western Australia, Australia;
- Republic of Ireland;
- Province of British Columbia, Canada; and
- State of Illinois, United States.

Based on this review, best practice approaches to defining infrastructure development frameworks are:

- Developed in the context of a larger tourism strategy that also addresses research, market communications and human resource capacity development;
- Focused on achieving identified/quantified objectives;
- Founded on an understanding of market needs, the gaps in existing tourism infrastructure and appropriate responses to each;
- Premised on attracting visitors to key destinations and on dispersing them to broader surrounding areas as well;
- Funded with defined spending envelopes for grant or loan funding to public and private sector bodies for the purpose of responding to gaps; and
- Adopt a “whole of government” approach to funding programs and infrastructure development.

The difficulty of defining quantifiable criteria for setting tourism infrastructure development priorities remains a challenge. It arises from the weaknesses associated with applying a blanket approach to prioritization over a diverse geographic area, varying levels of need and urgency, allocated funding, and political imperatives.

A total of 35 funding programs were examined to identify current funding approaches and practices. This included twelve federal and eleven provincial funding programs related to infrastructure, economic development and diversification, culture and tourism.

To identify any distinct characteristics particular to infrastructure funding programs, US and international tourism funding programs were looked at, including six US State programs and six programs in New Zealand, Australia and Ireland. Detailed summaries of each program are included in Appendix D. While capital funding models that are used to support tourism vary in terms of their mandates, funding limits and eligibility criteria, they share much in
EXECUTIVE SUMMARY

Grants are the dominant source of funding, with the exception of programs that are open to private businesses in which case repayment may be required;

Almost all of the funding programs are directed towards not-for-profit organizations, public agencies/organizations or local government;

Many of the tourism funding programs encourage applications by partnerships (i.e., local government and not-for-profit or for-profit partner); and

All but one of the funding programs are administered by government departments or agencies.

With respect to funding criteria, key considerations when evaluating projects are:

- Leveraging and matching of funds contributed;
- Business plan, financial analysis and timetable;
- Financial capability;
- Technical capability;
- Consistency with local government policies and plans;
- Sustainable and measurable economic impact; and
- Environmental, social and community benefit.

A requisite element of funding frameworks involving a high level of participation by the private sector, including PPPs, is the need to show a demonstrated commercial interest in undertaking the project. As a result, the projects need to be self-funding or bankable, meaning that the asset will generate an ongoing stream of cash-flows, either by users or government payments over the life of the asset.

The primary purpose of the framework is to identify and prioritize tourism-specific infrastructure projects that will enhance Ontario’s tourism offering and increase visitor satisfaction. The emphasis is on a strategy-driven approach to infrastructure provision.

As such, the goals for the framework itself are to:

- Provide a coherent and transparent structure with which to assess requests for infrastructure funding; and
- Provide a basis with which to prioritize among requests competing for funding from a constrained envelope.
The overall structure of the recommended framework defines overarching goals, objectives and principles, then specific prioritization criteria for each of the tourism infrastructure development opportunity types. The suggested objectives are illustrative only, pending further discussion and review through the larger Competitiveness Study.

**Goals** for application of the framework are:

- Trigger significant increases in private investment in, visitation to and expenditures at Ontario’s tourism destinations;
- Implement a larger strategy for tourism development, in a manner responsive to identified needs and gaps;
- Maximize the extent to which public and private funds are leveraged through coordinated and focused investment;
- Optimize returns to investment;
- Support excellence in the conception and delivery of outstanding visitor experiences.

The **Objectives** could be:

- Increase tourism expenditures in Ontario by 50% by 2020;
- Increase tax revenues from tourism by 55% by 2020;
- By 2010, Ontario has a mechanism in place to coordinate public tourism infrastructure funding on a “whole of government” basis;
- By 2015, Canada regains its place in the World Tourism Organization’s ranking of the globe’s “Top Ten” travel destinations; and
- By 2020, Ontario has six new iconic attractions, twelve new regional attractions and has renewed all its agency attractions.

The **Principles** are:

- Funding allocations should:
  - Be guided first by area contributions to total provincial visitation, secondly by regional economic development objectives;
  - Support a staged strategy of first attracting non-domestic visits to gateway centres then dispersing them to surrounding areas / pulling domestic travel from major centres out into regional surrounding areas and the larger province;
  - Balance the creation of new iconic experiences with the
EXECUTIVE SUMMARY

maintenance and renewal of existing plant;

- Resolve barriers to easier travel from gateways and centres to attraction complexes;
- Support additional private sector investment in tourism infrastructure;
- Be leveraged wherever possible through complementary funding from private and other government partners, and synergy with other initiatives;
- Be disbursed through a “whole of government” coordinating window.

➢ Investment projects must substantiate:

- The manner in which they implement a defined tourism development strategy and align with Provincial tourism development objectives;
- Their role in enhancing a regional destination complex with an accessible suite of attractions, amenities and activity elements;
- An ability to attract US & overseas as well as domestic visitors;
- A credible business case for investment and a business plan showing a sustainable operating model based on objective research and application of innovation and best practices;
- Expected outcomes for tourist visitation and expenditures, returns to investment, and community and economic benefits;
- An investment sourcing strategy that maximizes funding partnerships with senior and junior levels of government and their respective infrastructure/facility funding mechanisms, and with private capital where appropriate; and
- Integration of efficient approaches to minimizing resource requirements and environmental impacts of facility development and operation.

The Prioritization Criteria for the three infrastructure development opportunity types are:

For New Initiatives, Products and Facilities, priority will be given to proposals that:

➢ Create iconic attractions and new reasons to visit a destination, linked to clearly identified target markets;
➢ Are connected with and distinct to the destination and cannot be easily
replicated in competing tourist destinations;

- Have both a substantial equity contribution from the proponent and a higher proportion of private sector and other government partner funding;
- Incorporate a collaborative approach integrating new project development with new partnerships and leveraged destination development;
- Do not create unfair competition to existing businesses within the host region or elsewhere in the province;
- Demonstrate the organization’s competencies in the area of activity for which funds are sought.

For Extensions of Current Products and Facilities, priority will be given to proposals that:

- Create a new visitor experience/reason to visit/reason to stay longer that is linked to clearly identified target markets;
- Are for sites playing a significant role in attracting visitation to a regional complex;
- Have a substantial equity contribution from the proponent;
- Can draw from funding offered by other programs and levels of government;
- Integrate funding from private sector partnerships;
- Do not cause an increase in an operating deficit;
- Enhance site potential to generate operating revenues.

For State of Good Repair Improvements, priority will be given to proposals that:

- Resolve health and safety issues;
- Are for sites playing a significant role in attracting visitation to a regional complex;
- Demonstrably improve the visitor experience;
- Reduce site operating costs;
- Enhance site potential to generate operating revenues.

### 7.0 Recommended Funding Mechanism and Structure

The purpose of the funding mechanism is to support tourism-specific infrastructure projects which will significantly enhance Ontario’s tourism offering and increase visitor satisfaction. The emphasis is on a strategy-driven approach to infrastructure funding provision.
Consistent with best practices, the mechanism’s structure provides infrastructure funding opportunities in the context of a larger strategy addressing tourism research, market communication and human resource development initiatives.

The emphasis is on a strategy-driven approach to infrastructure funding provision.

As such the goals of the funding mechanism and structure are to:

- Provide a consistent, coherent and transparent process with which to provide financial support to tourism-specific infrastructure initiatives; and
- Provide a basis to make certain candidate initiatives provide value-for-money and are consistent with a provincial tourism development strategy.

The choice of a funding mechanism should be predicated on the objectives of the program and the nature of the infrastructure asset being developed. Funding mechanisms such as accelerated depreciation and tax incentives will ease the way to investor attraction, while low-interest or no interest loans may encourage some small and medium size tourism operators to upgrade or expand existing infrastructure.

The proposed funding mechanism to address the issue of gaps in Ontario’s tourism-specific infrastructure is a grant service program that uses various combinations of government (municipal, provincial and federal) and private sector partnerships.

It is recognized, however, that it may be necessary for the Ministry of Tourism to implement more than one type of funding arrangement to close all of the existing gaps in Ontario’s tourism-specific infrastructure. For example, leasing provincially-owned land for a nominal fee or providing tax credits or exemptions on construction material.

The following is a description of a proposed structure for the tourism-specific infrastructure grant program.

Eligible applicants would include:

- Incorporated not-for-profit organizations;
- Municipal governments;
- First Nations band councils;
- Incorporated private sector tourism businesses; and
EXECUTIVE SUMMARY

- Provincially-owned tourism attractions and agencies.

Eligible projects could be those that target the construction or upgrading of major tourism-specific infrastructure identified by tourism planning activities\(^1\) that:

- Directly helps strengthen the tourism economic base;
- Generate measurable direct economic and social spinoffs;
- Significantly enhances the tourism attraction potential;
- Balance the creation of new iconic experiences with the maintenance and renewal of existing plant.

Priority could be given to infrastructure projects that:

- Trigger significant increases in private sector tourism investment;
- Resolve barriers to easier travel from gateways and urban centres to attraction complexes (e.g., signage, people moving systems);
- Target the development or redevelopment of large-scale, significantly important tourist attractions that will serve as a growth driver for the regional/provincial tourism complex;
- Target the development or redevelopment of the Ontario Government’s tourism agencies and attractions.

It is expected that candidate projects are “construction ready” having completed all aspects of due diligence (business plan development, environmental assessments, etc.).

Proposed eligible costs are those that are deemed reasonable, incremental and relate directly to the eligible activities and include:

- Design
- Expanding, constructing or renovating a significant tourism-specific asset;
- Expanding communication technology and accessibility;
- Construction of visitor information centres/welcome centres.

Only those projects that demonstrate their ability to achieve the strategic direction identified in tourism planning activities will be considered. As this is a competitive process, projects are evaluated based on their ability to meet the

---

\(^1\) Including the Premier-ranked Tourist Destination Framework, municipal economic development plans, municipal official plans and the Ministry of Tourism’s Competitiveness Study.
following evaluation criteria.

- Strategic Significance
- Qualifications of the Organization
- Needs Assessment
- Project Viability
- Project Evaluation
- Costs and Financing
- Future Financing
- Economic Benefits
- Return on Investment

### 8.0 Key Strategies for Moving Forward

To ensure that infrastructure investment occurs and implements a larger tourism development strategy, and to send clear signals to private sector investors, it is recommended that:

**Recommendation 1:**
A grant program for public infrastructure be developed as one element of a larger tourism investment strategy addressing:

- Research and Analysis;
- Infrastructure Development;
  - Access and utilities;
  - Experience product complexes;
- Market Communications; and
- Human resource capacity development.

**Recommendation 2:**
The Tourism Infrastructure element in that larger strategy be rolled in to Ontario’s Infrastructure Strategy.

**Recommendation 3:**
Funding priority be given to the travel regions attracting the highest visitation from non-domestic and domestic tourists:

- Toronto & Area;
- Central Ontario;
- Southwestern Ontario;
- South-Central Ontario;
Niagara Region; and
Ottawa Region.

Recommendation 4:
Funding priority for tourism infrastructure investment be given to the following key types of infrastructure:
- Access, including signage and way-finding;
- Waterfront development including waterways;
- Government Agencies and Attractions including Ontario Parks;
- Visitor Centres;
- Broadband Communications Technology; and
- Trails.

Recommendation 5:
Funding for private investment in attractions and accommodations plant generally be market induced and industry led, with direct funding by government (vs. other incentives) only in special circumstances.

Recommendation 6:
High level tourism development strategies for key gateways/centres and their surrounding areas be prepared, with sub-regional destination development strategies then articulated for further detail, to define funding priorities among the key infrastructure types.

Recommendation 7:
The core organizing structural elements for Ontario’s primary tourism zone should include:
- Efficient access between Toronto and Niagara and to surrounding areas defined by two hour travel times;
- Recognition and integration of potential internationally iconic natural heritage features, waterfronts and waterways as illustrated by the following maps.
Key Features in the Primary Tourism Zone
Key Tourism Features in Northern Ontario
Recommendation 8:
The creation of destination complexes or clusters be the fundamental objective of sub-regional strategies, addressing linkages between attractions, accommodation, amenities, activities and access elements.

Recommendation 9:
A new partnership of travel information centres based on best practices be considered (e.g. using a 3-tier system (provincial, regional and local) with established service standards (accreditation) and a new visual identity. Focus should be on clearly branded locations that support the travel patterns of visitors including non-traditional high volume locations.

Recommendation 10:
Provide flexibility in implementation, in recognition that imminent events or opportunities may not enable time for preparing related destination development strategies (e.g., the 2010 G-8 Summit, War of 1812 events).

Recommendation 11:
Development of a more competitive tourism industry in Ontario is explicitly identified as a measurable performance objective for all Ontario government infrastructure funding programs and planning activities, including the current Growth Plan conformity work and the Metrolinx “Big Move” Draft Regional Transportation Plan.

Recommendation 12:
The high level and sub-regional tourism development plans referred to above be referenced in all provincial Ministries’ (except Health) infrastructure funding decisions.

Recommendation 13:
The Ontario Ministry of Tourism appoint an office with primary responsibility for coordinating tourism infrastructure funding decision-making across provincial and federal ministries and agencies, and for standing as a one-stop resource for entities preparing destination development plans and/or funding applications.

Recommendation 14:
The Ontario Ministries of Tourism and Municipal Affairs develop, on a priority basis, a guideline document to motivate and assist municipalities in the integration of tourism development objectives with other objectives defined and sought through municipal planning, including Official Plans, Community Improvement Plans, and incentive (e.g., Tax Increment Financing) programs to support new development in brownfield, urban core, waterfront and other priority areas.
Recommendation 15:
Ontario’s upper, single and lower tier municipalities participate in and help drive the implementation of destination development strategies by integrating development objectives into municipal planning priorities and documents, including Official Plans, Community Improvement Plans, and incentive programs.

Recommendation 16:
Adopt a Funding Framework incorporating the following Goals, Objectives, Principles and Prioritization Criteria:

Goals:

- Trigger significant increases in private investment in, visitation to and expenditures at Ontario’s tourism destinations;
- Implement a larger strategy for tourism development, in a manner responsive to identified needs and gaps;
- Maximize the extent to which public and private funds are leveraged through coordinated and focused investment;
- Optimize returns to investment;
- Support excellence in the conception and delivery of outstanding visitor experiences.

Objectives:²

- Increase tourism expenditures in Ontario by 50% by 2020;
- Increase tax revenues from tourism by 55% by 2020;
- By 2010, Ontario has a mechanism in place to coordinate public tourism infrastructure funding on a “whole of government” basis;
- By 2015, Canada regains its place in the World Tourism Organization’s ranking of the globe’s “Top Ten” travel destinations; and
- By 2020, Ontario has six new iconic attractions, twelve new regional attractions and has renewed all its agency attractions.

Principles:

- Funding allocations should:
  - Be guided first by area contributions to total provincial visitation, secondly by regional economic development objectives;

² The suggested objectives are illustrative only, pending further discussion and review through the larger Competitiveness Study
EXECUTIVE SUMMARY

- Support a staged strategy of first attracting non-domestic visits to gateway centres then dispersing them to surrounding areas / pulling domestic travel from major centres out into regional surrounding areas and the larger province;
- Balance the creation of new iconic experiences with the maintenance and renewal of existing plant;
- Resolve barriers to easier travel from gateways and centres to attractions complexes;
- Support additional private sector investment in tourism infrastructure;
- Be leveraged wherever possible through complementary funding from private and other government partners, and synergy with other initiatives;
- Be disbursed through a “whole of government” coordinating window.

Investment projects must substantiate:

- The manner in which they implement a defined tourism development strategy and align with Provincial tourism development objectives;
- Their role in enhancing a regional destination complex with an accessible suite of attractions, amenities and activity elements;
- An ability to attract US & overseas as well as domestic visitors;
- A credible business case for investment and a business plan showing a sustainable operating model based on objective research and application of innovation and best practices;
- Expected outcomes for tourist visitation and expenditures, returns to investment, and community and economic benefits;
- An investment sourcing strategy that maximizes funding partnerships with senior and junior levels of government and their respective infrastructure/facility funding mechanisms, and with private capital where appropriate; and
- Integration of efficient approaches to minimizing resource requirements and environmental impacts of facility development and operation.

**Prioritization Criteria:**

For New Initiatives, Products and Facilities, priority will be given to proposals that:

- Create iconic attractions and new reasons to visit a destination, linked to clearly identified target markets;
EXECUTIVE SUMMARY

➢ Are connected with and distinct to the destination and cannot be easily replicated in competing tourist destinations;
➢ Have both a substantial equity contribution from the proponent and a higher proportion of private sector and other government partner funding;
➢ Incorporate a collaborative approach integrating new project development with new partnerships and leveraged destination development;
➢ Do not create unfair competition to existing businesses within the host region or elsewhere in the province;
➢ Demonstrate the organization’s competencies in the area of activity for which funds are sought.

For Extensions of Current Products and Facilities, priority will be given to proposals that:

➢ Create a new visitor experience/reason to visit/reason to stay longer that is linked to clearly identified target markets;
➢ Are for sites playing a significant role in attracting visitation to a regional complex;
➢ Have a substantial equity contribution from the proponent;
➢ Can draw from funding offered by other programs and levels of government;
➢ Integrate funding from private sector partnerships;
➢ Do not cause an increase in an operating deficit;
➢ Enhance site potential to generate operating revenues.

For State of Good Repair Improvements, priority will be given to proposals that:

➢ Resolve health and safety issues;
➢ Are for sites playing a significant role in attracting visitation to a regional complex;
➢ Demonstrably improve the visitor experience;
➢ Reduce site operating costs;
➢ Enhance site potential to generate operating revenues.
Recommendation 17:

Adopt a set of Funding Criteria incorporating the following:

Eligibility Criteria:

Eligible applicants would include:

- Incorporated not-for-profit organizations;
- Municipal governments;
- First Nations band councils;
- Incorporated private sector tourism businesses; and
- Provincially-owned tourism attractions and agencies.

Eligible projects could be those that target the construction or upgrading of major tourism-specific infrastructure identified by tourism planning activities that:

- Directly helps strengthen the tourism economic base;
- Generate measurable direct economic and social spinoffs;
- Enhance the tourism attraction potential;
- Balance the creation of new iconic experiences with the maintenance and renewal of existing plant.

Proposed eligible costs are those that are deemed reasonable, incremental and relate directly to the eligible activities and include:

- Design
- Expanding, constructing or renovating a tourism-specific asset;
- Expanding communication technology and accessibility;
- Construction of visitor information centres/welcome centres

Projects and activities ineligible for funding include:

- Debt refinancing;
- Contingency funding;
- Financing costs (including bank interest and charges);
- Legal and financial consultancy costs;
EXECUTIVE SUMMARY

- Acquisition of land;
- Operating expenses;
- Routine staff salary, wages and benefits;
- Administrative expenses;
- Travel, food or lodging;
- Marketing, advertising, trade shows;
- Market research/feasibility studies.

*Evaluation Criteria:*

- Strategic Significance;
- Qualifications of the Organization;
- Needs Assessment;
- Project Viability;
- Project Evaluation;
- Costs and Financing;
- Future Financing;
- Economic Benefits;
- Return on Investment.
1.0 INTRODUCTION

There is strong awareness across Ontario of the need to increase investment in tourism-specific infrastructure. The realization has come that marketing alone will not sustain visitor growth. To stay one step ahead of the market, there is an immediate need to deliver supply-led infrastructure initiatives that induce and feed market growth, creating an economically sustainable industry. This includes new initiatives, products and facilities; extensions of current products; and the upgrading of ageing infrastructure.

The research presented in this study focuses on five major project types:

- Local, regional and destination tourism development projects;
- Ontario’s government funded tourism infrastructure, including agencies, attractions, convention centres, parks;
- Cultural infrastructure facilities;
- Provincial tourist information centres; and
- The access (transportation) infrastructure supporting visitation to these destinations and facilities.

The paper examines best practices in tourism infrastructure development and funding, identifies gaps in the current physical plant in each of Ontario’s twelve tourism regions and at Ontario’s provincially owned agencies, attractions, convention centres and parks, analyzes the current infrastructure in Ontario’s Travel Information Centres (OTICs), and recommends frameworks for identifying, prioritizing, and funding tourism-specific infrastructure.

The recommendations presented in this paper provide the basis for an Ontario tourism driven infrastructure strategy that will:

- Inform the Ministry’s understanding of the current state of and gaps in Ontario’s tourism related infrastructure;
- Guide government decisions for supporting and prioritizing tourism-specific and transportation (access) infrastructure projects;
- Help to maintain the competitiveness and growth of Ontario’s tourism industry.

The paper confirms the overdue need to begin a long-term planning process focusing on the significant gaps in Ontario’s tourism specific infrastructure – there are no quick wins.

1.1 Organization of The Paper

The Tourism Infrastructure Research Study is structured in eight sections. Following this introduction, the remainder of the paper contains:

- Insights into the trends in tourism impacting infrastructure development
in Section 2.

- Overviews of the needs-based gaps in tourism-specific infrastructure in each of the province’s 12 tourism regions in Section 3.
- An analysis of Ontario’s provincially owned travel information centres’ infrastructure in Section 4.
- A review of tourism infrastructure development and funding best practices in Section 5.
- A recommended framework for identifying and prioritizing tourism-specific infrastructure projects in Section 6.
- A recommended mechanism and structure for funding tourism-specific infrastructure projects in Section 7.
- Key strategies for moving forward in Section 8.

A list of affiliate stakeholders/experts contacted during the course of this research and the interview guides used to solicit their input are contained in Appendices A, and B.

Appendix C contains a summary review of Infrastructure Development Frameworks in other jurisdictions and Appendix D describes Infrastructure Funding Programs in other jurisdictions.

Appendix E presents HDR Decision Economics’ development of a framework for assessing the tourism benefits of investment in transportation infrastructure.
2.0 TOURISM INSIGHTS - TRENDS IN TOURISM IMPACTING INFRASTRUCTURE DEVELOPMENT

This section of the report looks at factors that have a bearing on tourism-specific infrastructure development. More specifically and based on secondary sources of information this section looks at visitation forecasts, activities and motivations, ratings of Ontario’s tourism product, important considerations by travellers when choosing a destination, and rankings of services provided.

2.1 Ontario Tourism Outlook 2008-2012

Ontario had 118.3 million visitors in 2004. In 2005, inbound visits fell 3.6 per cent then rose by 1.4 per cent in 2006. In 2007, Ontario inbound visits increased 1.1 per cent to 111.4 million visits. In 2008, overall travel is expected to decline by -0.6 per cent—with overnight travel declining by -0.7 per cent and same-day travel declining -0.5 per cent.

Figure 2.1: Inbound Travel Forecast 2008-2012 (000s)

Source: Ministry of Tourism, Ontario Tourism Outlook 2008-2012

---

Visitation growth from 2008 through 2012 is expected to average 1.06 per cent per year, mainly due to increases in intra-provincial travel and visits to Ontario from overseas. By 2012, Ontario inbound visits are estimated to reach 117.5 million, still well below the pre-SARS level of 129 million in 2002.

Intra-provincial visits are forecasted to increase at an average rate of 1.7 per cent reaching 96.7 million in 2012. Visits from the U.S. have declined sharply over the past years and due to changes to passport regulations, high fuel prices, and the strong Canadian dollar, will continue to do so. According to the Ministry of Tourism, U.S. visits 2008 through 2012 will decline at a compounded annual rate of 2.4 per cent per year with same-day and leisure travel experiencing the largest declines.

After a decline of 22.3 per cent in 2005, a modest rebound in 2006, and further decline in 2007, the outlook for inter-provincial visits is flat, with negative growth averaging 0.8 per cent per year through 2012. Part of the reason for this is related to the stronger Canadian dollar which favours Canadian travel to the U.S. and overseas countries and reduces the growth of travel within Canada.

Overseas visits to Ontario are expected to grow at an average rate of 1.2 per cent per year until 2012 with visits from Japan, the UK, France and Germany averaging 0.6%, 0.4%, -2.6% and 1.5% per year. Visits from “other” overseas origins are expected to grow by 2.3 per cent annually.

2.2 Visitation by Region 2012

Maintaining the person-visit shares recorded in 2006 and applying the Ontario tourism outlook for 2008-2012, gives an approximation of the number of person-visits expected to accrue to each of Ontario’s 12 Tourism Regions in 2012. The geography of this distribution is illustrated in Figure 2.2. Respective contributions by visits to each region to Ontario’s total visits is described in Figure 2.3.

---

As indicated in Figure 2.3, 80 per cent of the potential person-visits are concentrated in six of the 12 regions—Toronto and Area, Central Ontario, Southwestern Ontario, South-Central Ontario, Niagara Region, and the Ottawa Region.

The verity that visitors gravitate towards Toronto and the regions adjacent to it (including Niagara) has significant implications for tourism infrastructure development. The projected demand is a clear indicator of the type of experiences that most visitors to Ontario are seeking. Investment, particularly by private sector developers, typically occurs in areas of high demand and it can therefore be presumed that any further development is most likely to occur in Toronto and the surrounding regions.
Figure 2.3: Cumulative Person-Visits by Travel Region 2012

Source: Ministry of Tourism custom analysis
2.3 Activities by Canadian and American Travellers

Table 2.1 lists the top ten activities of Canadian and American travellers in 2004-05 based on the results of the 2006 Travel Activities and Motivations Survey (TAMS)\(^5\).

**Table 2.1: Top Ten Activities by Canadian and American Travellers**

<table>
<thead>
<tr>
<th>Canadians</th>
<th>Americans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shopping</td>
<td>Shopping</td>
</tr>
<tr>
<td>2. Dining</td>
<td>Dining</td>
</tr>
<tr>
<td>3. Sunbathing/sitting on a beach</td>
<td>Casinos</td>
</tr>
<tr>
<td>4. Strolling around a city observing its buildings and architecture</td>
<td>Amusement Parks</td>
</tr>
<tr>
<td>5. Swimming</td>
<td>Swimming</td>
</tr>
<tr>
<td>6. Visiting national, provincial, state parks</td>
<td>Strolling around a city observing its buildings and architecture</td>
</tr>
<tr>
<td>7. Visiting historic sites, monuments, and buildings</td>
<td>Visiting historic sites, monuments, and buildings</td>
</tr>
<tr>
<td>8. Movies /Cinema</td>
<td>Sunbathing/sitting on a beach</td>
</tr>
<tr>
<td>9. Casinos</td>
<td>Movies /Cinema</td>
</tr>
<tr>
<td>10. Hiking</td>
<td>Visiting national, provincial, state parks</td>
</tr>
</tbody>
</table>

Source: 2006 Travel Activities and Motivations Survey (TAMS)

While shopping and dining are the two most popular activities among Canadian and American travellers this not what brings them to the destination. For Canadians, none of 194 activities contained in the TAMS were main trip motivators in 50 per cent of the trips that contained them. For Americans, only a slim minority (13%) of the 194 activities were trip motivators. This suggests that Americans and Canadians travellers are not motivated by single activities to take trips of one or more nights.

In the 2000 TAMS\(^6\), respondents were asked whether each of 16 tourism attractions would make them more interested in taking a trip to Ontario. Americans were more likely to be motivated to take a trip to Ontario for nature-oriented attractions such as an overnight train tour through natural terrain, a game park or games reserve, Great Lakes cruises, and a forestry or mining attraction. They were also more likely to be motivated to take a trip to Ontario to see a Canadian aboriginal attraction and a heritage attraction, such as an Indian museum. Relative to Americans, Canadians were more likely to be motivated to travel to Ontario by the addition of new theme parks.

---


2.4 Rating Ontario’s Products

In February 2008, TNS Canadian Facts undertook the tenth in a series of studies to measure intent within key U.S. and domestic markets to travel to Ontario and specific Ontario destinations. One of the most consistent outcomes of the Travel Intentions Studies is the travellers’ rating of Ontario’s tourism products (see Table 2.2).

Table 2.2: Rating Ontario for Specific Trip Types

| Rating Ontario For Specific Trip Types | Average score* among travelers in each case |

<table>
<thead>
<tr>
<th>U.S.</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Difference</td>
</tr>
<tr>
<td></td>
<td>May '05</td>
</tr>
<tr>
<td>Enjoy nature/ outdoors</td>
<td>7.5</td>
</tr>
<tr>
<td>Arts, culture and history</td>
<td>6.7</td>
</tr>
<tr>
<td>Resort trip</td>
<td>6.4</td>
</tr>
<tr>
<td>Touring trip</td>
<td>7.0</td>
</tr>
<tr>
<td>Big city trip</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Statistically sig. decrease at 95% confidence. Statistically sig. increase at 95% confidence. Average rating on 10-point scale.

Source: Ministry of Tourism Travel Intentions Study—Wave 10

Since May 2005, “enjoy nature / outdoors” has received the highest rating among both American and Canadian travellers. If Ontario is to build on this strength, there are implications for infrastructure development in small town Ontario, not only in terms of attractions, accommodations, amenities and activities, but also in terms of hard infrastructure such as roads, sewers, electricity, water supply and landfills.

---

2.5 Important Considerations in Choosing a Destination

Almost two-thirds of both Canadian and American travellers indicated that the choice of the destination for a pleasure or vacation trip is very or extremely important to them (at least as important as buying a house or car)\(^8\).

The two considerations most frequently rated as highly important in choosing a destination by Canadian travellers were: feeling safe at the destination (66%) and having no health concerns at the destination (50%), while among American travellers the two most highly rated considerations were: feeling safe at the destination (72%) and having convenient access to the destination by car (51%).

Among the 18 considerations listed in the 2006 Travel Activities and Motivations Survey, 10 items have implications for tourism infrastructure development (see Table 2.3).

**Table 2.3: Important Considerations in Choosing a Destination**

<table>
<thead>
<tr>
<th>Travelers</th>
<th>Highly Important</th>
<th>Somewhat Important</th>
<th>Of No Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Canadians</td>
<td>Americans</td>
<td>Canadians</td>
</tr>
<tr>
<td>Lots of things for children to see / do</td>
<td>17%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Lots of things for adults to see / do</td>
<td>38%</td>
<td>47%</td>
<td>51%</td>
</tr>
<tr>
<td>Great shopping opportunities</td>
<td>12%</td>
<td>16%</td>
<td>41%</td>
</tr>
<tr>
<td>Availability of luxury accommodations</td>
<td>7%</td>
<td>9%</td>
<td>26%</td>
</tr>
<tr>
<td>Availability of mid-range accommodations</td>
<td>29%</td>
<td>32%</td>
<td>50%</td>
</tr>
<tr>
<td>Availability of budget accommodations</td>
<td>22%</td>
<td>30%</td>
<td>44%</td>
</tr>
<tr>
<td>Availability of camping</td>
<td>13%</td>
<td>8%</td>
<td>24%</td>
</tr>
<tr>
<td>Convenient access by car</td>
<td>43%</td>
<td>51%</td>
<td>41%</td>
</tr>
<tr>
<td>Direct access by air</td>
<td>29%</td>
<td>26%</td>
<td>42%</td>
</tr>
<tr>
<td>Convenient access by train</td>
<td>13%</td>
<td>8%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Source: 2006 Travel Activities and Motivations Survey (TAMS)

The two most highly rated “infrastructure-related” considerations by both Canadian and American travellers were: convenient access by car and lots of things for adults to see and do, both of which have serious implications for many regions of the province, particularly Northern Ontario. Conversely, the factors that have no importance to either Canadian or American travellers in choosing a destination for an overnight pleasure trip are: lots of things for children to see and do, availability of luxury accommodations, and availability

---

\(^8\) Ontario Ministry of Tourism (2007). *Travel Activities and Motivations of Canadian Residents—An overview.* Tourism Research Unit.
of camping.

2.6 Emerging Geographic Markets

The overseas market currently represents a very small portion of Ontario’s visitors. Recent CTC market reports, however, indicate potential interest by these markets in Ontario’s tourism product.

According to the CTC\(^9\), overnight person-trips from India to Canada have increased by 66 per cent from 2001 (65,000) to 2006 (108,000). Over the past several years, Canada has attracted only 4 per cent of the Indian long-haul market, well below other popular destinations beyond Asia. While Canada is well down the priority list for future travel (behind Southeast Asia, Europe, U.S., and Australia), the latent demand for Canada is significantly greater than the current visitor flow. One major barrier affecting interest in taking a pleasure trip to Canada in the near future is the perceived high cost of travel to and within Canada—in fact eight of the top ten barriers to visiting Canada relate to cost.

Mexican travellers (including those who intend to travel) demonstrate a lot of interests in future travel to Canada\(^10\), but many had not yet visited. Canada, with a market share of 14.7 per cent, is ranked third as an outbound destination after the U.S. and Spain. The activities which generate the most interest in Canada are visiting major cities and seeing Niagara Falls and World Heritage sites.

While Vancouver and Niagara Falls continue to be ranked as top destinations for visitors from Japan\(^11\), many of the traditionally visited destinations are seeing a decline. On the rise are Ottawa, Montreal, Quebec City and Algonquin Park/ Muskoka. Japanese visitors to Canada have declined significantly from the peak of 647,700 visitors in 1996 to 386,500 visitors in 2006. Major factors contributing to this decline include Canada’s core product now out of date—Canada is not trendy—and lack of airline sensitivity (Canada is expensive to travel to)\(^12\).

The Chinese outbound travel market has witnessed explosive growth over the past few years. For Canada, China represents an untapped market with huge potential\(^13\). Chinese trips to Canada often span the country, with most travellers visiting both Ontario and British Columbia. Close to 40 per cent of the trips to Canada are VFR-driven. Aside from VFR, Chinese travellers currently come to

---


Canada to visit big cities and do sightseeing—Ontario’s primary appeal is Niagara Falls.

### 2.7 Rating of Ontario By Service Type

According to the 2006 International Travel Survey\(^{14}\), ratings of Ontario by American and overseas travellers are generally favourable, with the majority of travellers rating transportation, accommodations, hospitality of local people, and variety of things to see and do as “good”—the exception (among American travellers) being “value for money”. Only a small percentage of visitors rated Ontario’s services as “poor” (see Table 2.4).

**Table 2.4: Rating of Ontario by Service Type**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Good</th>
<th>Average</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>U.S.A. 55%</td>
<td>40%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Overseas 75%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Accommodations</td>
<td>U.S.A. 52%</td>
<td>44%</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Overseas 75%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Hospitality of local people</td>
<td>U.S.A. 67%</td>
<td>30%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Overseas 89%</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>Value for money</td>
<td>U.S.A. 48%</td>
<td>40%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Overseas 52%</td>
<td>40%</td>
<td>8%</td>
</tr>
<tr>
<td>Variety of things to see and do</td>
<td>U.S.A. 56%</td>
<td>41%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Overseas 79%</td>
<td>18%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, International Travel Survey (ITS), 2006

In all service categories, ratings by overseas visitors exceeded those of American travellers. Among Americans, nearly as many rated the service levels as “average” or “poor” as did those rating it as “good”; the exception being “the hospitality of local people”. This has implications for Ontario’s tourism industry as the perceived quality of services needs to exceed other competitive tourist destinations if tourism is to be successful.

### 2.8 Summary/Implications

Ontario’s growth in visitation is expected to average just slightly more than one per cent per year for the next fives years implying that the required capacities of Ontario’s tourism-specific infrastructure will remain fairly constant over the period. This lack luster growth will likely suppress investment in new construction of tourism-specific infrastructure.

By 2012, inbound visits are estimated to reach 117.5 million of which approximately 80 per cent will be concentrated in six of Ontario’s 12 tourism regions—Toronto and Area, Central Ontario, Southwestern Ontario, South-Central Ontario Niagara Region, Ottawa Region. Investment, particularly by private sector developers, typically occurs in areas of high demand and it can therefore be presumed that any further development is most likely to occur in Toronto and the surrounding regions.

TAMS research indicates that American and Canadian travellers are not motivated to take trips of one or more nights by single activities. Having “lots of things for adults to see and do” is a highly important consideration in

---

choosing a vacation destination. This implies that individual destinations must offer a diversity of activities if they are to provide visitor satisfactions and reinforces the need to develop strong regional tourism complexes.

A second highly rated consideration in choosing a destination is “convenient access by car”. This has implications for Southern Ontario where road congestion is a major issue and for Northern Ontario where the state of repair of the highway network is a deterrent to the region’s competitiveness.

One of the most consistent findings of Ontario’s Travel Intention Studies is the traveller’s rating of Ontario’s tourism products. Since 2005 “enjoy nature / outdoors” has received the highest rating. If Ontario is to build on this strength, there are implications for infrastructure development in small town Ontario, not only in terms of attractions, accommodations, amenities and activities, but also in terms of hard infrastructure such as sewers, electricity, water supply and landfills.

Ratings of Ontario by American and overseas visitors are generally favourable especially among overseas visitors. However, among Americans nearly as many rated Ontario’s transportation, accommodations, value for money and variety of things to see and do as “average” or “poor” as did those rating it as “good”. To be competitive, Ontario’s perceived quality of services must exceed that of competitor destinations.
3.0 NEEDS-BASED GAP ANALYSIS

The successful growth of tourism in Ontario relies on the development of the appropriate infrastructure which both services a tourist’s need and encourages investment by the private sector in competitive tourism products.

Tourism-specific infrastructure such as accommodations, restaurants, and built attractions are primarily developed by the private sector. However, private investors are unwilling to invest in tourism facilities unless good support infrastructure such as airports, roads and basic services are in place.

The first step in developing a tourism infrastructure strategy which delivers supply-led infrastructure initiatives that induce and feed market growth is to pinpoint those areas where tourism-specific infrastructure is lacking.

In this section of the paper high potential tourism infrastructure, i.e., tourism infrastructure that has the uppermost likelihood of generating economic returns and tourism sector growth / investment at the local, regional or provincial level is identified.

An infrastructure needs-based gap analysis is typically a demand side analysis requiring an inventory of existing tourism infrastructure and the identification of current and future infrastructure needs.

As developing an inventory of Ontario’s tourism-specific infrastructure is beyond the scope of this project, the identification of high potential tourism-specific infrastructure initiatives has been accomplished using a variety of tools and approaches, such as:

- Interviews with the Ministries of Tourism and Northern Development and Mines’ Regional Services Tourism Consultants and FedNor Regional Officers;
- Interviews with key tourism organizations and associations;
- Consultations with senior staff of the Ministry of Tourism’s Tourism Agencies Unit and the Ministry of Culture’s Culture Agencies Unit;
- Consultations with senior staff of Ontario Parks, the Ministry of Natural Resources and the Ministry of Health Promotion;
- A review of the annual reports and other related materials supplied by the Ministries of Tourism, Culture and Natural Resources for Ontario’s provincially owned tourism agencies, attractions, convention centres and Ontario Parks;
- A review of the Competitiveness Study’s stakeholder consultation notes regarding infrastructure;
NEEDS-BASED GAP ANALYSIS

- A review of information provided by the Sports, Culture and Tourism Partnerships Secretariat; and
- A review of existing Premier-ranked Tourist Destinations reports\textsuperscript{15}.

The discussion begins with the infrastructure needs of Ontario’s government owned attractions and agencies, followed by the tabling of the tourism-specific infrastructure needs in each of Ontario’s 12 tourism regions and concludes with the identification of high potential infrastructure projects and the implications surrounding their pursuit.

The list of affiliated stakeholders and industries experts contacted is contained in Appendix A, while the interview guides are in Appendix B.

3.1 Ontario’s Government Owned Attractions and Agencies

<table>
<thead>
<tr>
<th>Ontario’s Government Owned Attractions and Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huronia Historical Park</td>
</tr>
<tr>
<td>Fort William Historical Park</td>
</tr>
<tr>
<td>Ontario Place</td>
</tr>
<tr>
<td>St. Lawrence Parks</td>
</tr>
<tr>
<td>Niagara Parks</td>
</tr>
<tr>
<td>Ottawa Congress Centre</td>
</tr>
<tr>
<td>Toronto Convention Centre</td>
</tr>
<tr>
<td>Royal Ontario Museum</td>
</tr>
<tr>
<td>Art Gallery of Ontario</td>
</tr>
<tr>
<td>Ontario Science Centre</td>
</tr>
<tr>
<td>McMichael Canadian Art Collection</td>
</tr>
<tr>
<td>Royal Botanical Gardens</td>
</tr>
<tr>
<td>Science North</td>
</tr>
<tr>
<td>Ontario Heritage Trust</td>
</tr>
<tr>
<td>Ontario Parks</td>
</tr>
</tbody>
</table>

Many of the attractions and agencies have benefited from capital funding over the past several years through government programs, yet all continue to confront a critical need for infrastructure investment to protect and revitalize their assets and attract visitors. Most recently, annual capital investments have largely focussed on serious emergency repairs, deferring state of good repair improvements, rehabilitation and new construction.

The following is based on the review of annual reports and other related materials supplied by the Ministries of Tourism, Culture, and Natural Resources and consultations with senior staff of the Ministry of Tourism’s Tourism Agencies Unit, the Ministry of Culture’s Culture Liaison Unit and Ontario Parks.

3.2 Ministry of Tourism Attractions and Agencies

The Ministry of Tourism directly operates two tourism attractions—Huronia Historical Parks and Fort William Historical Park. It is also responsible for five agencies—Ontario Place Corporation, two park commissions: St. Lawrence Parks Commission and Niagara Parks Commission and two convention centre agencies: the Metro Toronto Convention Centre and Ottawa Convention Centre.

All of these agencies and attractions, in our opinion, with the exception of the Ottawa Convention Centre which is currently constructing a new facility, need to modernize their infrastructure and add to or expand their attractions.

\textsuperscript{15} The Premier-ranked Tourist Destination Framework was developed for the Ministry of Tourism to assess a region’s market status in the tourism market. The Framework has been completed in 19 communities across the province.
Recently, any capital allocations to the agencies and attractions by the Ministry of Tourism have primarily addressed projects related to matters of health and safety and regulatory compliance.

The Ministry’s agencies and attractions serve a vital public interest and help to deliver on the Government’s key priorities of strong economy and strong people. As economic catalysts, attracting tourists to their region, the agencies and attractions contribute to the prosperity of their region and the province. The presence of the St. Lawrence Parks Commission, Huronia Historical Parks and Fort William Historical Park is particularly important as they are located in areas where the regional economies are currently challenged.

Collectively, the agencies and attractions have significant capital assets in the form of land, buildings, heritage structures, and exhibits. Several hold irreplaceable assets in trust for the people of Ontario.

It is estimated that to revitalize the Ministry of Tourism’s attractions and agencies will require a significant investment in operation support, asset maintenance and revitalization funding.

The Ministry of Culture is responsible for the operation of seven cultural and heritage attractions:

- Art Gallery of Ontario
- McMichael Canadian Art Collection
- Ontario Heritage Trust
- Ontario Science Centre
- Royal Botanical Gardens
- Royal Ontario Museum
- Science North

Many of these attractions need to modernize their public spaces and infrastructure to protect and revitalize their assets. Recently, the Ministry’s capital allocations to the agencies have primarily addressed projects relating to health and safety and code compliance.

These agencies have significant capital assets in the form of land, buildings, heritage property, exhibits, art and artefacts. They include heritage structures and vast collections that the agencies are mandated to maintain in perpetuity.

The cultural, historic and irreplaceable value of the collections underscores the importance of maintaining the buildings that house them. The Art Gallery of Ontario holds more than 73,000 works of art in its collection and the Royal
Ontario Museum has almost six million objects of world cultures and natural history. Both institutions’ collections make them among the largest museums in North America with stewardship over some of the world’s most significant holdings.\(^{16}\)

Each of the attraction agencies are housed in one-of-a-kind institutional buildings, which have unique needs. Museums and galleries have special environmental and security controls; the buildings are used as public assembly spaces; and are increasingly becoming architectural icons within their cities and in the province.

An itemized list of required and desired capital projects is unavailable; however, the Ministry of Culture estimates that a significant investment is required annually for repair and rehabilitation, agency-identified capital projects and deferred maintenance.

### 3.4 Ontario Parks

Ontario Parks operates and manages a network of 623 provincial parks and conservation reserves. Its 111 operating parks hosts more than 10 million visits per year.

Ontario Parks has capital assets valued at over $900 million. This comprises everything from car campgrounds to rustic cabins, from amphitheatres and visitor centres to hiking trails, from comfort stations to picnic shelters, from roads to water systems. Many of these facilities are in need of upgrading or replacement.

According to the Ministry of Natural Resources, a maintenance deficit has been accumulating for many years to the point where Ontario Parks is presenting a tired product that no longer meets all of the needs of its visitors\(^ {17}\).

Ontario Parks has identified the need to improve its existing product offerings and add new products to meet the needs of its target markets. To accomplish this, the Ministry of Natural Resources has identified a number of key infrastructure projects. Examples include\(^ {18}\):

- Add new types of accommodation, such as permanent tents;
- Modernize facilities by adding new visitor amenities and incorporating green building standards;
- Construct new picnic shelters fitted with running water, electricity, food


\(^{17}\) [http://www.rom.on.ca/collections/index.php](http://www.rom.on.ca/collections/index.php)

\(^{18}\) Ontario Parks (2008). *A Submission by the Ministry of Natural Resources to the Ontario Tourism Competitiveness Study.*

Ibid.
3.5 Infrastructure Gaps by Tourism Region

Ontario is divided into 12 Tourism Regions as shown on the map on the following page\textsuperscript{19}. Subdivision of the province into these regions was based, in part, by an area’s product offering.

Based on the consultations with and review of materials and information provided by the various tourism Ministries, a long list of the critical needs and gaps was compiled for each of Ontario’s 12 tourism regions. The tables beginning after the next page provide a summary of these critical needs and gaps.

\textsuperscript{19} A description of the geographical make-up of each region can be found on the Ministry of Tourism website. \url{http://www.tourism.gov.on.ca/english/research/resources/Ontario's%20Travel%20Regions_October%202006.pdf}
For each region, the matrix identifies infrastructure development needs according to 1) new initiatives, products and facilities; 2) extensions of current products; and 3) state of good repair improvements. Each of these three categories is subdivided into five classifications of tourism-specific infrastructure—attractions, access, accommodations, amenities and activities.

As demonstrated in the tables, infrastructure priorities vary extensively across the province’s 12 tourism regions. There are however a number of themes that are common to most regions…

- Access
- Signage and Way-finding
➢ Attractions
➢ Visitor Centres
➢ Accommodations
➢ Waterfront Development

…and on a more localized scale: trails and broadband.

These broader categories provide a foundation for identifying high potential tourism infrastructure, i.e., tourism infrastructure that has the uppermost likelihood of generating economic returns and tourism sector growth / investment at the local, regional or provincial level.
### Needs-Based Gap Analysis By Travel Region

<table>
<thead>
<tr>
<th>Region 1 -- Essex</th>
<th>Region 2 -- Southwestern Ontario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attractions</strong></td>
<td></td>
</tr>
<tr>
<td>New Product</td>
<td>Attractions</td>
</tr>
<tr>
<td>Expansion</td>
<td>Waterfront Development</td>
</tr>
<tr>
<td>Repair</td>
<td>Ontario Parks</td>
</tr>
<tr>
<td>Icon Attraction</td>
<td>CivilWorks</td>
</tr>
<tr>
<td>Wineries</td>
<td></td>
</tr>
<tr>
<td>Visitor Centre</td>
<td></td>
</tr>
<tr>
<td>Attractions</td>
<td></td>
</tr>
<tr>
<td>Waterfront</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>Ontario Parks</td>
<td></td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td></td>
</tr>
<tr>
<td>Signage</td>
<td></td>
</tr>
<tr>
<td>Public Trans</td>
<td></td>
</tr>
<tr>
<td>Ferry Service</td>
<td></td>
</tr>
<tr>
<td>Airport Shuttle</td>
<td></td>
</tr>
<tr>
<td>Port Development</td>
<td></td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Signage</td>
</tr>
<tr>
<td><strong>Accommodations</strong></td>
<td></td>
</tr>
<tr>
<td>Resorts</td>
<td>Hotels</td>
</tr>
<tr>
<td>Branded Hotels</td>
<td></td>
</tr>
<tr>
<td><strong>Accommodations</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Amenities</strong></td>
<td>Retail</td>
</tr>
<tr>
<td>Retail</td>
<td>Fine Dining</td>
</tr>
<tr>
<td><strong>Amenities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Needs-Based Gap Analysis By Travel Region

<table>
<thead>
<tr>
<th>Region 3 -- Niagara Region</th>
<th>Region 4 -- South-Central Ontario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Product</strong></td>
<td><strong>New Product</strong></td>
</tr>
<tr>
<td>• Attractions</td>
<td>• Attractions</td>
</tr>
<tr>
<td>• Sport Facilities</td>
<td>• Sport Facilities</td>
</tr>
<tr>
<td>• Wine Discovery Centre</td>
<td>• Wine Discovery Centre</td>
</tr>
<tr>
<td>• Waterfront Development</td>
<td>• Waterfront Development</td>
</tr>
<tr>
<td>• Attractions</td>
<td>• Attractions</td>
</tr>
<tr>
<td>• Gov't Attractions</td>
<td>• Gov't Attractions</td>
</tr>
<tr>
<td>• Ontario Parks</td>
<td>• Ontario Parks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expansion</strong></th>
<th><strong>Expansion</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Marinas</td>
<td>• Marinas</td>
</tr>
<tr>
<td>• Public Transit</td>
<td>• Public Transit</td>
</tr>
<tr>
<td>• GO Train</td>
<td>• GO Train</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Repair</strong></th>
<th><strong>Repair</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Signage</td>
<td>• Signage</td>
</tr>
<tr>
<td>• Public Trans</td>
<td>• Public Trans</td>
</tr>
<tr>
<td>• Parking</td>
<td>• Parking</td>
</tr>
<tr>
<td>• Hotel Shuttle</td>
<td>• Hotel Shuttle</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Accommodations</strong></th>
<th><strong>Accommodations</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Luxury Hotels</td>
<td>• Luxury and Branded Hotels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Amenities</strong></th>
<th><strong>Amenities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Visitor Centres</td>
<td>• Visitor Centres</td>
</tr>
<tr>
<td>• Public Spaces</td>
<td>• Public Spaces</td>
</tr>
<tr>
<td>• Shopping</td>
<td>• Shopping</td>
</tr>
<tr>
<td>• Downtown Core Development</td>
<td>• Downtown Core Development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Activities</strong></th>
<th><strong>Activities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Needs-Based Gap Analysis By Travel Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Region 5 -- Toronto and Area</th>
<th>Region 6 -- Central Ontario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New Product</td>
<td>Expansion</td>
</tr>
<tr>
<td><strong>Attractions</strong></td>
<td>• Show Venues</td>
<td>• Convention Centre</td>
</tr>
<tr>
<td></td>
<td>• Entertainment Complex</td>
<td>• Waterfront Development</td>
</tr>
<tr>
<td></td>
<td>• Sport Venues</td>
<td></td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>• Signage</td>
<td>• Disability Access</td>
</tr>
<tr>
<td></td>
<td>• Airport Link</td>
<td>• Public Trans</td>
</tr>
<tr>
<td></td>
<td>• Union Station</td>
<td>• Motor Coach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Parking</td>
</tr>
<tr>
<td><strong>Accommodations</strong></td>
<td>• Hotels</td>
<td></td>
</tr>
<tr>
<td><strong>Amenities</strong></td>
<td>• Visitor Centres</td>
<td>• Retail</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Streetscaping</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Green Tourism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cycling Paths</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trails</td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Needs-Based Gap Analysis By Travel Region

<table>
<thead>
<tr>
<th></th>
<th>Region 7 -- St. Lawrence River Corridor</th>
<th>Region 8 -- Ottawa Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New Product</td>
<td>Expansion</td>
</tr>
<tr>
<td><strong>Attractions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Attractions</td>
<td>• Attractions</td>
</tr>
<tr>
<td></td>
<td>• Waterfront Development</td>
<td>• Gov’t Attractions</td>
</tr>
<tr>
<td></td>
<td>• Discovery Centre</td>
<td></td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Public Trans</td>
<td>• Rail Links</td>
</tr>
<tr>
<td><strong>Accommodations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Branded Hotels</td>
<td></td>
</tr>
<tr>
<td><strong>Amenities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Visitor Centres</td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Needs-Based Gap Analysis By Travel Region

<table>
<thead>
<tr>
<th></th>
<th>Region 9 -- Eastern Ontario</th>
<th>Region 10 -- North-Central</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New Product</td>
<td>Expansion</td>
</tr>
<tr>
<td><strong>Attractions</strong></td>
<td>• Attractions</td>
<td>• Ontario Parks</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accommodations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amenities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Needs-Based Gap Analysis By Travel Region

<table>
<thead>
<tr>
<th>Region 11 – North-East</th>
<th>Region 12 – North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Product</strong></td>
<td><strong>New Product</strong></td>
</tr>
<tr>
<td>Attractions</td>
<td>Attractions</td>
</tr>
<tr>
<td>• Icon Attraction</td>
<td>• Attractions</td>
</tr>
<tr>
<td>• Attraction</td>
<td>• Gov't Attractions</td>
</tr>
<tr>
<td>• Sport Multiplex</td>
<td>• Ontario Parks</td>
</tr>
<tr>
<td>• Convention Centre</td>
<td>• Sport Arenas</td>
</tr>
<tr>
<td>• Waterfront Development</td>
<td>• Sport Fields</td>
</tr>
<tr>
<td></td>
<td>• Tour Trains</td>
</tr>
<tr>
<td><strong>Expansion</strong></td>
<td><strong>Expansion</strong></td>
</tr>
<tr>
<td>Access</td>
<td>Access</td>
</tr>
<tr>
<td>• Signage</td>
<td>• Highway Expansion</td>
</tr>
<tr>
<td>• Highways</td>
<td>• Roads</td>
</tr>
<tr>
<td>• Public Trans</td>
<td>• Marinas</td>
</tr>
<tr>
<td><strong>Repair</strong></td>
<td><strong>Repair</strong></td>
</tr>
<tr>
<td>Accommodations</td>
<td>Accommodations</td>
</tr>
<tr>
<td>• Hotels/ Resorts</td>
<td>• Ski Resort</td>
</tr>
<tr>
<td>• Meeting Hotels</td>
<td>• RV Parking</td>
</tr>
<tr>
<td><strong>Amenities</strong></td>
<td><strong>Amenities</strong></td>
</tr>
<tr>
<td>• Visitor Centre</td>
<td>• Retail</td>
</tr>
<tr>
<td>• Retail Broadband</td>
<td>• Public Spaces</td>
</tr>
<tr>
<td></td>
<td>• Rest Areas</td>
</tr>
<tr>
<td>Activities</td>
<td>Activities</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.5.1 Access

Access is a key infrastructure issue for tourist destinations throughout the province. It is particularly important to regions where tourist attractions are widely dispersed.

Road access was identified as a primary concern with the two key challenges for tourism development being congestion and dispersion.

Road congestion is regarded as a major issue in and between regions close to heavily populated centres particularly those located along 400 series highways. Tourism is being impacted as traffic bottlenecks decrease the ability and attractiveness of intra- and inter-regional short break vacations.

Short of expanding Ontario’s road network, one solution to the problem of congestion lies in the broadening of travel choices. Some examples are listed below:

- A regional rapid transit system connecting Ontario’s most popular tourist regions—Toronto and Area, Central Ontario (Barrie, Muskoka, Peterborough), South-Central Ontario (Hamilton) and the Niagara Region—would not only serve the local population and business commuter it would provide tourists with fast and efficient access to many of the province’s major attractions. A regional rapid transit system may also serve to increase a destination’s visitation by boosting the attractiveness of short haul day trips—an evening in Niagara-on-the-Lake for dinner and theatre, a day at a spa in Lakefield.

- Development of ferry service could help ease congestion on some of the province’s busiest highways and simultaneously provide a unique travel experience. Service between Toronto and the Niagara Falls area would bypass the gridlock-prone Queen Elizabeth Way (QEW). Ferry service between Ontario and Ohio, Pennsylvania, and New York states could reduce traditional bridge border crossings and the reliance on automobile travel to enter the province.

Road infrastructure is vitally important for the dispersal of tourists. In Northern Ontario where sparse populations and vast distances currently reduce the viability of other modes of passenger transportation the state of repair of the highway network is consider a deterrent to the region’s tourism competitiveness. Tourism operators and visitors point to the need to upgrade regional highways, twin the Trans-Canada Highway, and add simple amenities such as rest stops and signage.

Northern Ontario’s highway network consists of close to 11,000 kilometers of highways, approximately two-thirds of Ontario’s highway system\textsuperscript{20}. To
upgrade regional highways and twin the Trans-Canada Highway is a very long-term solution to the efficient movement of tourist throughout the region and calls for the development of alternative modes of transportation such as rail and air.

Northern Ontario’s rail network, which consists of more than 7,000 kilometers of track21, is regarded as one of its most under utilized transportation assets. Unfortunately, deteriorating conditions of both the rail bed and rolling stock have not only affected connectivity between urban centres (e.g., Cochrane-Hearst-Sault Ste. Marie) and increased travel times, they have impacted the performance and popularity (witnessed by the steady decline in ridership) of tourist trains like the Agawa Canyon Tour Train and the Polar Bear Express.

Railways like the Ontario Northland Transportation Commission (ONTC) and the Algoma Central Railway (ACR) play an important role in tourism as they provide access to destinations without year-round road access.

Rejuvenation of the rail network, like upgrading Northern Ontario’s highway system, is an expensive and long-term solution to tourist travel. However, improving rail service could provide economic returns and tourism sector growth and investment. In the 2000 Travel Activities and Motivations Survey22 Americans travellers stated they were more likely to be motivated to take a trip to Ontario for nature-oriented attractions such as an overnight train tour through natural terrain.

Air transportation is critical for many remote northern tourist destinations especially those that do not have year-round road or rail access. There are 67 certified public airports in Northern Ontario, more than in the rest of Ontario combined23. Further enhancement of air charter services is a likely (and possibly exciting) alternative to road travel. In our review, some airports are under threat of closure as many municipalities do not have the financial resources to maintain them.

Thunder Bay and Sudbury are the North’s main regional airports, with Thunder Bay’s international airport being the third busiest in Ontario. The high cost of interregional airfares is an issue constantly raised by tourist operators and visitors alike.

Ontario has virtually become a “rubber tire” market, relying heavily on a tourist’s use of private automobiles to access tourist destinations. In many regions of the province (e.g., Niagara, Windsor Essex, GTA) a critical gap has been identified in public and private transportation solutions for tourists not

---

21 Ibid.
arriving by or having access to a car. The need extends from the movement of visitors from, for example, Hamilton and Buffalo airports to Niagara Falls, to the movement of visitors from urban centres into the surrounding areas, e.g., from Niagara Falls to the region’s wine communities. Similar situations exist for Kitchener-Waterloo and Guelph, London, Sault Ste. Marie, Thunder Bay, Sudbury and others.

Properly developed, intra- and inter-regional transportation systems would provide opportunities for visitors to experience more of Ontario’s tourism product, likely extending their length of stay. Solutions such as a high speed rail link between Pearson International Airport and Union Station and shuttle service from other airports and train and bus stations to surrounding urban centres, e.g., Waterloo-Wellington Airport to Stratford, would extend the reach of the visitor without relying on the rental of cars.

Intra- and inter-regional movement of tourists could also be accomplished by developing people mover systems such as short line rail like the Orangeville Brampton Railway (OBRY) and the Waterloo St. Jacobs Railway (WSJR) and regularly scheduled air flights to popular tourist destinations like Muskoka and Collingwood.

Recreational and commercial (e.g., Great Lake cruises) boating are popular activities among residents of and visitors to Ontario. In 2006, more than 2.7 million visitors to Ontario participated in boating activities.

With over 250,000 lakes and more than 100,000 kilometres of rivers, water travel in Ontario may serve as an alternative to car travel for the movement of visitors within and between regions. The Trent-Severn Waterway System, Rideau Canal, Grand River, Saugeen River and others provide numerous opportunities to serve as a mode for tourist travel. For example, in 2007, more than 5,300 pleasure craft entered the Welland Canal and on the Rideau Canal, more than 1,700 boats entered the locks at Ottawa, 6,500 at Newboro and 2,800 at Kingston Mills (Traffic information for the Trent-Severn Waterway system is not available).

However, many of the province’s ports/marinas require state of good repair improvements and expansion and in some communities, additional dredging is required to accommodate the growing cruise boat industry. To facilitate the movement of visitors to area attractions many ports (terminals) across Ontario need better access to land transportation.

The generalized cost of travel in and between Ontario’s tourism regions is an important policy lever that can be used to aid tourism development in Ontario. The Government of Ontario can aid tourism development by reducing the cost

---

Statistics Canada (2007). International Travel Survey (ITS), 2006
3.0 NEEDS-BASED GAP ANALYSIS

3.0.1 Access

of travel through enabling more, faster or easier access. A more thorough assessment of Ontario’s access (transportation) infrastructure is contained in the Appendix E.

3.5.2 Signage and Way-finding

Closely connected to the issue of access, is the subject of signage and way-finding. Way-finding refers to the planning and decision-making that allows one to reach a destination. It is a complex activity involving moving along while evaluating alternatives.

At present the Province subscribes to the Tourism-Oriented Directional Signing (TODS) and Logo programs. Placement of these signs is limited to freeways controlled by the Province and lower speed provincial highways; signage on other thoroughfares is controlled by the municipality.

Many of Ontario’s lesser known tourist attractions rely heavily on drive-by visitation as most visitors and seasonal populations are unaware of their existence. To help boost the visitation to these attractions would require a provincial program to extend signage and way-finding not only to lower-tier roads but also trails and waterways. To be effective, signage design should be consistent across the province to facilitate visitor recognition and understanding and be affordably available to all tourism businesses.

3.5.3 Attractions

The attractions of a destination form the most powerful component of the supply side of tourism; they are the energizing power of the entire tourism system. Tourists attractions have two major functions—they entice, lure and stimulate interest in travel and they provide visitor satisfactions (the only true travel product). To be successful, they must be planned and managed for visitor interest, activity, and enjoyment.

Two primary concerns have been noted with regard to Ontario’s stock of built tourist attractions—the state of good repair of existing attractions and the need for regional demand generating attractions.

A very large number of Ontario’s tourist attractions were built prior to the 1990s and lack the cosmopolitan sophistication required to attract today’s tourist. In many instances, an attraction’s operating revenues are insufficient to allow for capital upgrades. Continual deterioration of the quality of the attraction not only leads to persistently lower levels of visitation at the attraction it impacts the image and reputation of the community.

The cost associated with revitalizing and renewing Ontario’s many attractions is likely to be prohibitive, yet, without vibrant and exciting attractions tourist visitation will continue to be a challenge.

Most of Ontario’s built attractions are not demand generators—the primary reason people visit the area—but perform or are capable of performing a supporting role to a major demand generating attraction.
Across the province a need has been identified to increase the number of iconic attractions to raise the attractiveness of the destination and bolster visitation to other area attractions. Specific types of demand generating attractions cited were:

- Family oriented entertainment
- Convention centres
- Large capacity sports facilities
- Mega cultural shows

This list of potential new attractions suggests that some Ontario destinations want to diversify their product offering to increase or at least maintain visitation levels. This is one of several signals that the destination may have reached tourism maturity and is in need of revitalization.

Eighty per cent of the person-visits in Ontario are concentrated in six of the 12 tourism regions—Toronto and Area, Central Ontario, Southwestern Ontario, South-Central Ontario, Niagara Region, and the Ottawa Region. This is Ontario’s primary tourism zone and should guide the new construction and renewal of attractions.

### 3.5.4 Visitor Centres

Visitor centres play an important role in educating visitors about the availability of Ontario’s tourism product. They lure passing visitors “off the road” and serve as an “information gateway” to the local community and region. Consumer studies at the OTICs have shown that visitor centres impact tourist decision-making resulting in extended length of stays and increased spending.

Although visitor centres in Ontario are plentiful—operated by the Province, municipalities, tourism associations and the private sector—visitor (welcome) centres are believed to be a major gap in Ontario’s tourism infrastructure province-wide. In addition to not having a branded presence and offering varying levels and types of services, many of the centres operate on a seasonal basis. Our review indicates that a major issue regarding visitor centres is location.

To be effective, visitor centres need to be located in areas where tourists congregate from ports of entry (border crossing, airports, and bus and rail terminals) to service centres; from festival and events to close by area attractions. Strategically placed, visitor centres can contribute to the growth in tourism.

A review of Ontario’s provincially owned Travel Information Centres infrastructure is the subject of Section 4 of this paper.
3.5.5 Accommodations

The gaps in tourist accommodations vary throughout the province. Many areas (e.g., Thunder Bay and Parry Sound regions) lack the higher end (five star) hotels and resorts necessary to attract upscale visitors. In other areas (e.g., Ontario’s wine regions) not having accommodations in close proximity to area attractions is thought to have reduced visitation. And still in other areas, quality fixed roof accommodations are simply just lacking (e.g., Manitoulin Island and the Great Lakes Heritage Coast). Outside of major urban areas a need has been identified to increase the number of hotels with convention/meeting capacity to attract specific segments such as business travel.

The gaps in Ontario’s accommodation offerings extended beyond fix roof facilities. Many of Ontario’s provincial parks close following the Thanksgiving Day holiday. Adding new types of accommodations, such as permanent tents and retrofitting parks with electrical hook-ups would extend camp ground availability into the shoulder season, extending the “tourist season” for many destinations. Gaps have also been identified in infrastructure to accommodate RV (recreational vehicle) travel such as purposely built camp grounds and community overnight parking facilities.

Investment in commercial accommodation properties is, for the most part, private sector driven. Typically, private sector investment occurs in areas with high demand. However, many areas of the province do not have the necessary critical mass of tourists to warrant such investment. Until the regional complex of tourist attractions is more fully developed the accommodation gap will be challenging to address.

3.5.6 Waterfront Development

Ontario’s waterfronts—where land meets a lake, bay, river, or canal—are unique tourist attractors. The vital characteristic that separates waterfronts from other areas of the community is the relationship with water. People are inherently drawn to water; hence the importance of waterfront development to tourism.

There are numerous examples of successful waterfront development—Cincinnati, Providence, Chicago, Baltimore and Pittsburgh—whose success was not only economic, but produced significant social and environmental benefits as well.

The costs associated with waterfront developments are usually expensive, but these improvements typically spur much larger real estate re-investment and make these waterfront locations important hubs for residents and visitors. To facilitate private sector investment in waterfront development requires the public sector’s involvement in providing base infrastructure (e.g., land, roads, walkways, public spaces) and basic services (water and sewage).

Waterfront development has been identified as a major gap in Ontario’s
tourism infrastructure in communities all across the province (e.g., Thunder Bay, Sault Ste. Marie, Timmins, Toronto, Kingston, and Peterborough). Based on the successes of other communities, there is a high probability that development of Ontario’s waterfronts will generate economic returns and tourism sector investment.

The Great Lakes are a dominant part of Ontario’s physical and cultural heritage. These vast inland freshwater seas, with their thousands of kilometers of coastline, are natural tourist attractors. Waterfront development in urban areas, complemented by networks of trails, driving tours and scenic outlooks would position these icons as a centerpiece of Ontario tourism.

In the case of Ontario, waterfront development should be broadly defined to include waterways. Waterways such as the Trent-Severn Waterway System, Rideau Canal, Grand River and Saugeen River have significant potential to attract tourists.

3.5.7 Broadband

As communication technology becomes more ubiquitous, consumers have not only accepted it, they expect it to be available. In many rural areas of the province (particularly in Northern Ontario) modern, efficient and reliable telecommunication systems are not available.

One of the most requested amenities by tourists is internet access. Many travellers are so accustomed to having internet access in airports, coffee shops, and hotels that high-speed access has become a decision attribute in choosing a destination or hotel. Many tourism businesses in “broadband-free” Ontario could be missing out on the opportunity for additional bookings and branding opportunities by not having access to high-speed internet.

High-speed internet is crucial to the economic well-being of many business owners, including tourism operators. Development of broadband capabilities in rural areas can help create new opportunities for economic development in these regions.

3.5.8 Trails

Ontario has an extensive trail network. Criss-crossing the province are over 64,000 kilometers of trails that are used for walking, hiking, cycling, horseback riding, snowmobiling, cross-country skiing, dog sledding, canoeing, kayaking and other nature-based activities that are enjoyed by residents of and visitors to the province.

Trails are important to many communities as they provide access to the community and its tourist attractions and services. The Ontario Trails Council estimates that trails contribute at least $2 billion a year to the provincial economy.\textsuperscript{25}

\textsuperscript{25} Ontario Ministry of Health Promotion (2005). \textit{Ontario Trails Strategy}. 
Ontario’s trails have traditionally been developed independently and as a result significant gaps in connectivity exist. In many areas of the province there is an identified need for improved trail access points including expanded parking and the provision of washrooms. Many trails are in need of state of good repair improvements including the repair of trail surfaces and bridges.

The current state of Ontario’s tourism-specific infrastructure is a barrier to:

➢ Attracting non-domestic visitors to gateway centres then dispersing them to surrounding areas; as well as
➢ Pulling the domestic traveller from major centres out into surrounding regional areas and the larger province.

The highest potential infrastructure, that is, tourism infrastructure that has the uppermost likelihood of generating economic returns and tourism sector growth / investment is therefore infrastructure that facilitates efficient and affordable access to areas with an existing critical mass of tourism product (attractions, accommodations, amenities and activities)—Ontario’s primary tourism zone (Toronto and Area, Central Ontario, Southwestern Ontario, South-Central Ontario and the Niagara Region)—and the Ottawa Region.

In developing these access solutions, priority should be placed on modes of transportation that do not contribute to road congestion and can be incorporated into the tourist experience—high speed rail, marine and air travel and shuttle buses. Continual enhancement of Ontario’s trail network should be seen not only as product development, but as part of the solution to access. Appendix E of this report—Access (Transportation) Infrastructure—outlines a framework for assessing how transportation infrastructure supports the tourism industry in Ontario.

Waterfront/waterway development should be a strong part of the strategy to attract visitors to gateways and then push them to the regional surrounding areas. Development priorities should be given to areas that have a sufficient tourism product to support the development—Toronto, Thunder Bay, Sault Ste. Marie, and Kingston. In the case of waterway development, priority should be placed of those systems that have departure and terminus nodes that have ample regional tourism product such as the Trent-Severn Waterway System and Rideau Canal.

A critical third element of a strategy to attract and dispersion tourists is the provisions of visitor information. Visitor information centres play a significant role on the marketing continuum—consumer marketing draws the tourist to the destination; visitor information centres aid in dispersing them to the surrounding areas.

They also serve to reduce the perceived distances between destinations, a
major problem in many parts of Ontario. To be effective and efficient, visitor information centres must be strategically placed, operate as a partner network and be the responsibility of the host region, galvanizing the relationship between tourism operators and the community.

High-speed internet is crucial to the economic well-being of many business owners, including tourism operators. Development of broadband capabilities in rural areas can help create new opportunities for economic development in these regions and as such is a high potential infrastructure opportunity.

The closure of the identified gaps in accommodations and attractions (with the exception of government owned agencies and attractions) should not be government driven, but rather the result of market-induced and industry-led initiatives. Here, the Government’s role should focus on indirect inducement rather than direct intervention and should not have a strong orientation towards directly subsidizing individual businesses.

Government owned and funded agencies and attractions have the potential to generate economic returns and tourism sector growth and investment. While only a few are considered international icons, all of the government’s agencies and attractions contribute significantly to the regional complex and have a positive impact on tourism.
4.0 TRAVEL INFORMATION CENTRES

The Ontario Tourism Marketing Partnership Corporation (OTMPC) is the official tourism marketing agency of the Ontario Government. Its mandate is to market and promote Ontario as a travel destination in partnership with the tourism industry and other levels of governments.

The OTMPC provides visitor services at 18 seasonal (7) and year-round (11) Travel Information Centres (TICs) located at border crossings and other key locations in Ontario (See map).

*Figure 1: Location of OTMPC Travel Information Centres*

Source: Ontario Tourism Marketing Partnership Corporation.
4.0 TRAVEL INFORMATION CENTRES

All Ontario Travel Centres are owned by the Ontario Realty Corporation and leased to OTMPC with the exception of centres located in Sarnia, Toronto and Fort Erie.

4.1 Background

Ontario Travel Information Centres were built in the late 1940s – 1960s. The majority of centres were located at border crossings to provide a welcome and travel information to the U.S. “rubber tire” market.

Over the past few years, the number of visitors from the U.S. to Ontario has declined sharply—a trend that is expected to continue into the future. In 2002, visitation from the U.S. totaled 26.3 million by 2006 this number had fallen to 17.5 million\(^{26}\). By 2012, the number of Americans travelling to Ontario is anticipated to further decrease to 13.3 million\(^{27}\).

The decline in U.S. visitation has significantly impacted visitation to OTMPC’s 18 Travel Information Centres. In the past seven years, visitation to travel centres has decreased by 50 per cent falling from 2.5 million in 2000 to 1.2 million in 2007\(^{28}\).

**Figure 2: Ontario Travel Information Centres Annual Visitation, 2000-2007**

Visitor centres in Ontario are plentiful—operated by the Province, municipalities, tourism associations and the private sector. It is estimated that there are over 250 regional travel information centres operated by regional Destination Marketing Organizations (DMOs) alone in Ontario.

During the needs-based gap analysis phase of this project (see Section 3), visitor

---


\(^{28}\) Ontario Tourism Marketing Partnership Corporation internal tracking.
centres were identified as a major gap in Ontario’s tourism-specific infrastructure. In addition to not having a branded presence, offering varying levels and types of services with many centres being operated on a seasonal basis, the major issue raised was one of location.

4.2 Purpose of Visitor Information Centres

Tourism marketing initiatives lure people to travel, but it is visitor servicing that informs and inspires them to see more, do more and spend more as has been confirmed in a recent consumer survey study undertaken at OTICs.29

Visitor centres also produce benefits to tourism operators and the communities in which they are located. For many operators, visitor centres are their primary ‘face’ or contact with the consumer—it is their principle marketing channel.

In many communities, visitor information centre are an important economic development tool as local businesses benefit from visitor spending as result of information provided by the centre. Visitor centres also create employment opportunities.

4.3 Trends in Service Provision

In 2007, the Ontario Tourism Marketing Partnership Corporation undertook research regarding the trends in providing visitor services. A survey of other jurisdictions—New Zealand, Ireland, Scotland, Australia, Singapore, Minnesota, British Columbia, Quebec, Nova Scotia and New Brunswick revealed the following five major trends:

1. Demand for time saving technology resources and web features: the internet has become the dominant source of trip planning. Internet and email and mobile devices are heavily used during travel.

2. Partner networks: in the U.K., Australia and some provinces in Canada, visitor information servicing is strengthened through networks of accredited centres regulated by a key body.

3. Consistency of branding: visitor services networks are being distinctly branded so that visitors can identify with service quality and promotion of the visitor information centres.

4. Co-location: visitor servicing is being co-located with other services, e.g., museums, cultural centres, on ferries, in airports and super-malls to extend ability to sell a destination.

5. Private sector involvement: private investors are seeing the benefits of delivering visitor servicing.

These world trends have significant implications for Ontario:

➢ While the OTICs work well together, they are not connected to local or regional information centres;

➢ Ontario communities and travel associations operate visitor information centres independently of one another;

---

The service standards of local and regional information centres are set by the governing/operating authority;

The Ontario Travel Information Centres have a branded identity—that dates to the 1980s;

Most OTICs are stand-alone operations, the exceptions being Toronto, Fort Erie and Sarnia which are co-located with other services.

### 4.4 Trends in Ontario Visitation

Forecasts of tourist visitation to Ontario prepared by the Ministry of Tourism\(^\text{30}\) indicated that intra-provincial visits will increase at an average rate of 1.7 per cent reaching 96.7 million in 2012 while U.S. visits 2008 through 2012 will decline at a compounded annual rate of 2.4 per cent per year. This too has implication for Ontario’s visitor information centres.

The figure below shows distribution of visitors by tourism region and paints a vivid picture of the consumers that will require in-market visitor servicing.

---

Visitor Origin

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>37.8%</td>
<td>85.6%</td>
<td>51.5%</td>
<td>93.1%</td>
<td>78.8%</td>
<td>95.7%</td>
<td>76.9%</td>
<td>64.3%</td>
<td>85.3%</td>
<td>92.7%</td>
<td>81.8%</td>
<td>49.7%</td>
</tr>
<tr>
<td>Other Canada</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.4%</td>
<td>1.0%</td>
<td>4.8%</td>
<td>0.8%</td>
<td>8.2%</td>
<td>22.9%</td>
<td>9.3%</td>
<td>2.6%</td>
<td>2.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>US Boarder States</td>
<td>57.4%</td>
<td>10.8%</td>
<td>30.6%</td>
<td>2.2%</td>
<td>5.2%</td>
<td>1.4%</td>
<td>9.2%</td>
<td>2.8%</td>
<td>3.6%</td>
<td>2.0%</td>
<td>10.9%</td>
<td>27.2%</td>
</tr>
<tr>
<td>Other US States</td>
<td>3.1%</td>
<td>1.7%</td>
<td>7.7%</td>
<td>1.7%</td>
<td>5.0%</td>
<td>0.9%</td>
<td>3.0%</td>
<td>2.9%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>3.8%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Overseas</td>
<td>1.0%</td>
<td>1.1%</td>
<td>8.8%</td>
<td>1.9%</td>
<td>6.1%</td>
<td>1.2%</td>
<td>2.7%</td>
<td>7.1%</td>
<td>0.5%</td>
<td>1.3%</td>
<td>1.1%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>
4.5 OTICs

The Ontario Tourism Marketing Partnership Corporation has undertaken some best practices analysis of other jurisdictions. The analysis speaks to creating new partnerships with other travel centres across the province and strategically branded locations.

The analysis also calls for enhanced use of modern technology in the delivery of services. To accomplish this, the issue of broadband connectivity in some regions of the province (see Section 3) will need to be addressed. It also calls for the establishment of service points to support “in market” travel patterns.

One opportunity that addresses the latter need is the Ministry of Transportation’s (MTO) Service Centre Project - the 23 service centres located along Highways 400 and 401.

4.6 Recommendation

During the needs-based gap analysis phase of this project (see Section 3), visitor centres were identified as a major gap in Ontario’s tourism-specific infrastructure.

The majority of OTMPC’s Ontario Travel Information Centres are located at border crossings servicing a market that over the past few years has declined sharply and is anticipated to decline further.

Best practices in other jurisdictions indicate that successful tourist destinations provide in-market visitor servicing through regional networks of provincial/state, and local visitor centres strategically located in clearly branded locations that support the travel patterns of visitors.

Based on the best practices, an approach could be:

1. Creating a new partnership with other travel centres across the province (provincial, regional, and local) with established service standards (accreditation) and a new visual identity.

2. Focus should be on clearly branded locations that support the travel patterns of visitors including non-traditional high volume locations such as attractions, airports and shopping malls.
5.0 TOURISM INFRASTRUCTURE DEVELOPMENT AND FUNDING BEST PRACTICES

This section focuses on identifying best practices relating to:

- Tourism infrastructure frameworks; their development and implementation;
- The nature of existing infrastructure funding programs in Canada;
- The nature of tourism infrastructure funding programs in the United States and internationally;
- Other innovations in funding and incentives; and
- Funding criteria.

5.1 Infrastructure Development Frameworks in Other Jurisdictions

Comprehensive tourism infrastructure frameworks were examined in four jurisdictions. Common elements were identified to provide an understanding of best practices in tourism infrastructure framework development and implementation. The four jurisdictions considered were:

- State of Western Australia, Australia;
- Republic of Ireland;
- Province of British Columbia, Canada; and
- State of Illinois, United States.

Highlights, commonalities and best practices apparent in these frameworks are summarized below, followed by more detailed descriptions of each.

Common amongst three of the four jurisdictions is the use of a strategic document established to guide tourism infrastructure development over a 5 to 10 year period. Goals generally target increased tourism product quality, increased competitiveness and, in turn, increased economic benefits across all sectors. In two of the three cases, jurisdiction-wide plans are supported by regional plans that more specifically address gaps in tourism infrastructure and appropriate responses. Establishing priorities for tourism infrastructure development is a challenge, particularly if the priorities are to pertain to a large geographic and economic area that has diverse development needs. An appropriate response to this challenge appears to be to focus on the establishment of regional priority areas.

Tourism infrastructure development strategies are supported not only by regional plans but also by funding programs. These typically provide grant funding for all aspects of tourism infrastructure development namely, attractions, amenities, events, accommodations, and hard infrastructure.

In general, public and non-profit organizations stand to be the beneficiaries of
more of these programs than for-profit businesses. This is driven by the view that governments and their agencies most appropriately generate tourism growth by providing the infrastructure and business environment to attract private sector risk capital.

Evaluation criteria for the various grant programs attempt to recognize the unique geographic context and economic environment of each applicant for the purpose of determining the net benefits of the grant to local economic development. As such, applications are not compared to one another, but are instead evaluated based on their own merit. Agencies appear to use a qualitative rather than quantitative approach for evaluating the economic impact of grants on a local area. Similarly, the significance of the impact of a grant seems to be evaluated qualitatively. Establishing approaches for weighting applications against priorities is a challenge.

Best practice approaches to defining infrastructure development frameworks are:

- Developed in the context of a larger tourism strategy that also addresses research, market communications and human resource capacity development;
- Focussed on achieving identified/quantified objectives;
- Founded on an understanding of market needs, the gaps in existing tourism infrastructure and appropriate responses to each;
- Focussed on the identification and development of significant tourism icons;
- Premised on attracting visitors to key destinations and on dispersing them to broader surrounding areas as well;
- Funded with defined spending envelopes for grant or loan funding to public and private sector bodies for the purpose of responding to gaps; and
- Adopt a “whole of government” approach to funding programs and infrastructure development.

The difficulty of defining quantifiable criteria for setting tourism infrastructure development priorities remains a challenge. It arises from the weaknesses associated with applying a blanket approach to prioritization over a diverse geographic area, varying levels of need and urgency, allocated funding, and political imperatives.

The sub-sections below summarize the examined tourism infrastructure development frameworks from other jurisdictions.
Tourism Western Australia (“Tourism WA”) is the State Government agency responsible for the promotion and development of tourism in Western Australia. Their mandate is to play a facilitating role and work closely with other government agencies and private sector organizations to identify tourism gaps and achieve appropriate development outcomes.

In 2008, the agency prepared *Tourism Western Australia, Strategic Plan 2008 to 2013, Building for the Future*[^31], a strategic plan to develop, promote and protect the State’s iconic tourism experiences for the purpose of increasing competitiveness, viability and profitability. The strategic areas covered are:

- Consumer Research;
- Product Quality;
- Customer Access and Feedback;
- Delivering Sustainable and Innovative Visitor Servicing;
- Marketing Deliverable Experiences; and
- Delivering World Class Major Events.

Initiatives included as part of the Product Quality strategy is the collection and sharing of best practice information and product development. Tourism WA prepares *Destination Development Strategies*, documents that identify gaps and key infrastructure priorities for tourism destinations across the State.

The goal of these regionally focussed strategies is to:

- Identify and prioritize tourism icons and iconic tourism experiences;
- Develop strategies to address gaps in infrastructure, attractions, accommodation and other tourism facilities around icons;
- Develop strategies to disperse visitors so that all parts of a region benefit from tourism activity associated with icons;
- Provide leadership which focuses on the development of tourism product and investment within tourism icon and iconic experience areas; and
- Provide a robust framework for resource prioritizations within all divisions of Tourism WA.

While Tourism WA acknowledges that prioritizing tourism infrastructure efforts is an on-going challenge, they generally make allocation decisions based on need, urgency, allocated funding and the government’s election platform commitments.

[^31]: Tourism Western Australia (2007). *Tourism Western Australia, Strategic Plan 2008 to 2013, Building the Future.*
Both the public and private sector play an important role in the provision of tourism infrastructure in Western Australia. The private sector is considered to be the driver of tourism development and innovation while the government is responsible for providing the basic infrastructure and business environment required for the private sector to operate successfully.

In that regard, Tourism WA prepared a Submission to the State Infrastructure Strategy\(^\text{32}\) to identify what the agency perceived to be key public infrastructure priorities. The priorities were ranked according to the ability of public infrastructure projects to:

- Facilitate private investment in high-priority existing and emerging tourism destinations;
- Create new experiences with high domestic and international appeal;
- Achieve strong economic, social and environmental outcomes; and
- Improve current visitor satisfaction and address areas of market failure.

The resulting infrastructure priorities were:

- Access:
  - Air access to and within Western Australia;
  - Road access;
  - Marine facilities;
- Utility provision;
- The public sector’s role in place management:
  - Precinct re-development; and
  - Community based infrastructure.

With respect to funding programs, the State offers the following:

**Australian Tourism Development Program** which offers two separate categories of grants. Category 1: Tourism Projects (up to $100,000 AUD per project) is focussed on providing or enhancing tourism products, facilities and/or service. Category 2: Integrated Tourism Development Projects (up to $500,000 AUD per project) is for larger scale projects which involve collaboration among a number of regions;

**Community Sporting and Recreation Facilities Fund** ($2,599 to $100,000 AUD annual grants, $300,000 AUD Forward Planning Grants for more

---

complex projects) supports the creation of sustainable infrastructure for sport and recreation; and

Regional Infrastructure Funding Program ($100,000 to $5 million AUD per project) aims to encourage, promote and support the sustainable development of regional Western Australia.

While these funding programs offer more opportunities to public or not-for-profit sectors rather than private business sectors, the role of public private partnerships in tourism infrastructure development is considered to be growing in importance. The Western Australia government has produced guidelines for such initiatives.

5.1.2 Republic of Ireland

Failte Ireland/National Tourism Development Authority (“Failte Ireland”) is an agency of the Department of Arts, Sports and Tourism tasked to guide and promote tourism as a leading indigenous component of the Irish economy. The organization provides strategic and practical support to develop and sustain Ireland as a high-quality and competitive tourist destination.

To guide tourism infrastructure development efforts, Failte Ireland prepared a Tourism Product Development Strategy 2007 – 2013. It proposes a framework and policy guidance for the long-term development of the Republic’s tourism product. The main elements of the Strategy are:

- Capital investment in hard tourism product;
- Infrastructure and services relevant to tourists (these are not all under the direct control of the tourism sector);
- The physical environment;
- Packaging and presentation; and
- Expanding the skills and capability of people working in the industry.

The Strategy is supported by regionally focussed Operational Plans and by a grant funding program. Operational Plans guide tourism development in five regions across the country and identify action areas, key projects and stakeholder interventions. The Tourism Capital Investment Programme provides funding for a number of key projects, including:

- Funds to create attractions of international class:
  - Upgrading existing attractions (€50 million total funding);
  - Development of new iconic visitor attractions of scale (€14 million total funding);

DEVELOPMENT AND FUNDING BEST PRACTICES

- Support for the Development of Great Gardens (€6 million in support total funding);
- Fund for Investment in Activity/Adventure products (€28 million total funding).

While the government’s funding priorities in 2007 focussed on supporting the development of facilities for tourists, the prioritization for 2008 and later years focuses on reinvestment and expansion of visitor attractions and activities. When assessing a proposal, Failte Ireland takes into consideration the project’s merits in its own rights through a review of net present value, net profits, and its strategic impact in its geographic and economic context.

In Ireland, the private sector plays an important role in the provision of accommodations, outdoor activities, and event planning. The public sector supports these efforts through the grant funding discussed above and through the provision of hard infrastructure. The Convention Centre Dublin set to open in 2010 is the only major tourism development currently under construction in the country which is being financed through a public-private partnership. While PPPs are becoming increasingly popular for the provision of hard and soft infrastructure such as highways, schools, and hospitals, it is not yet significant in the tourism sector.

5.1.3 Province of British Columbia, Canada

In British Columbia, the Ministry of Tourism, Culture and the Arts is the key driver for expanding the tourism industry through the Tourism Action Plan. The plan articulates that government’s goal of enabling British Columbia’s tourism industry to double tourism revenues from 2003 to 2015. Four key strategic areas are identified to help the industry increase the demand for and supply of tourism and outdoor recreation products and experiences. These are:

- Development and investment;
- Access and infrastructure;
- Tourism workforce; and
- Marketing and promotion.

The Action Plan recognizes that the public sector plays a significant role in contributing to a strong tourism development climate and, within its Development and Investment strategic area, identifies eight action areas to pro-actively promote tourism development investment opportunities on Crown land, maximize the tourism potential of Crown assets, and develop and expand cultural attractions. These action areas are:

- Government agencies and ministries will reduce the amount of time and

---

paperwork required to approve a tourism related application;

- Government agencies and ministries will increase access to and enjoyment of BC’s parks and protected areas for tourism and outdoor recreation by developing a business plan for new management framework and delivery mode;
- Government and agencies will establish lodges in selected parks;
- Government and agencies will increase First Nations investment in the tourism and outdoor recreation sectors;
- Government and agencies will work to ensure new resorts are approached and developed in an expedited manner;
- Complete a plan to develop the Belleville Street ferry terminal in Victoria in collaboration with the Greater Victoria Harbour Authority, the City of Victoria, the Provincial Capital Commission and federal agencies;
- Develop a vibrant “cultural precinct” in Vancouver; and
- Invest in the Royal BC Museum to celebrate BC’s 2008 sesquicentennial and add a World Women’s History Museum as a satellite to the RBCM.

Within the Access and Infrastructure Development strategic area, four action areas are identified to ensure that investments in infrastructure are coordinated to support tourism development and to address barriers to travel in the Province. They are:

- Establish a mechanism for periodic analysis of projected infrastructure enhancements by region to meet anticipated future tourism demand;
- Ensure planning processes indentify infrastructure gaps necessary for tourism development and devise specific government actions required to fill those gaps and support Canada’s Pacific Gateway;
- Leverage transportation infrastructure investments and other tourism-specific development; and
- Work with the federal government to improve air access to British Columbia in support of Canada’s Pacific Gateway Strategy.

Two important funding programs are available in British Columbia to local governments and non-profit organizations for tourism infrastructure. These are:

**Major Capital Project Grant** (up to $100,000 CDN per project) which entitles entitled eligible organizations to apply for gaming revenues to support capital acquisitions or capital projects including the construction of new facilities, renovations of existing facilities, relocation or maintenance of existing facilities and property development.
Community Tourism Program ($25 million CDN total funding, grant value based on funding formula) is intended to build stronger local economies through increasing tourism activity.

In addition, the Ministry of Tourism has established a Resort Development Branch mandated to work with other government ministries and agencies, the private sector, First Nations, and the public to reduce the length of the resort development process. This is accomplished by harmonizing the approval process with lower-tier governments and harmonizing the environmental assessment process.

The Branch has a staff of 15 and an annual budget of $1.5 million CDN plus funding under the Crown Land Account to administer resort development agreements.

5.1.4 State of Illinois, United States

In the State of Illinois, the responsibility for the development of tourist attractions and amenities lies with the Bureau of Tourism in the Department of Commerce and Economic Opportunity. The Bureau’s mandate is to manage industry efforts that result in sustainable and significant quality of life benefits for Illinois residents.

In Illinois, the private sector is essential in the development of tourism infrastructure, as they typically develop the State’s large attractions. While the interest of the private sector in coordinating efforts through public-private partnerships has been limited in the past due to the bureaucracy typically involved, this form of partnership is increasing in the State. The Bureau is attempting to encourage greater use of public-private partnerships in tourism development and their success is demonstrated in a new partnership for the development of the Champaign Convention Centre.

While the Bureau does not have a strategic plan to identify State priorities for tourism infrastructure development, it administers a large number of tourism grants and loans for counties, municipalities, not-for-profit organizations, local promotion groups, and for-profit businesses for the development and improvement of tourism attractions. These are:

Local Tourism and Convention Bureau Program (value based on funding formula) supports promotional activities to increase business;

Regional Tourism Development Organization assists in developing tourism throughout a designated multi-county geographical area;

Tourism Attraction Development Program (up to $1 million US per project) assists in developing and improving tourism attractions. The intent is to assist in funding the development of projects that increase the economic impact of tourism throughout the State;
Tourism Marketing Partnership Program (up to $50,000 US per fiscal year) supports the promotion of tourism attractions and events;

Tourism Private Sector Grant Program (50% of eligible project costs) supports efforts to attract and host major national or international events; and

International Tourism Grant Program (50% of eligible project costs) assist communities in coordinating and promoting their international tourism efforts.

Generally, applications are evaluated with an understanding of the geographic context of the development so as to ensure that fair consideration is given to the impact the approval of a grant will have on the local area. Applications are not considered in comparison to one another but are assessed in the context of reviewers’ knowledge of the tourism trends throughout the entire State.

With respect to the development of the Chicago waterfront, Bureau of Tourism officials indicated that many of the attractions, such as Navy Pier and all of the museums, have benefited from the Tourism Attraction Development Grant Program.

The Millennium Park project was funded in its entirety by the City of Chicago and private stakeholders. While the State did not contribute to its development, it has since helped in the funding of events at the location.

5.2 Infrastructure Funding Programs in Other Jurisdictions

A total of 35 funding programs were examined to identify current funding approaches and practices. This included twelve federal and eleven provincial funding programs related to infrastructure, economic development and diversification, culture and tourism.

To identify any distinct characteristics particular to infrastructure funding programs, US and international tourism funding programs were looked at, including six US State programs and six programs in New Zealand, Australia and Ireland. Detailed summaries of each program are included in Appendix D.

5.2.1 Overview of Best Practices

While capital funding models used to support tourism vary in terms of their mandates, funding limits and eligibility criteria, they share much in common:

- Grants are the dominant source of funding, with the exception of programs open to private businesses, in which case repayment may be required;
- Almost all of the funding programs are directed towards not-for-profit organizations, public agencies/organizations or local government;
- Many of the tourism funding programs encourage applications by
partnerships (i.e., local government and not-for-profit or for-profit partner); and

- All but one of the funding programs is administered by a government department or agency.

While grants are the dominant form of federal and provincial/state funding, there are other funding mechanisms that can be used to complement grant programs, including:

- Alternative financing;
- Land banking;
- Tax Increment Financing (TIFs) and Tax Increment Equivalent Grants (TIEGs);
- Bonusing;
- Sponsorships;
- Strategic budget allocations;
- Bonds;
- Trust funds; and
- Special levies.

The following funding criteria are key considerations when evaluating projects:

- Leveraging and matching of funds contributed;
- Business plan, financial analysis and timetable;
- Financial capability;
- Technical capability;
- Consistency with local government policies and plans;
- Sustainable and measurable economic impact; and
- Environmental, social and community benefit.

A requisite element of funding frameworks involving a high level of participation by the private sector, including Public-Private Partnerships (PPPs or P3s) is the need to show a demonstrated commercial interest in undertaking the project. As a result, the projects need to be self-funding or bankable, meaning that the asset will generate an ongoing stream of cash-flows, either by users or government payments over the life of the asset.

5.2.2 Federal Funding

With respect to the federal programs examined, it was observed:
DEVELOPMENT AND FUNDING BEST PRACTICES

5.0

Programs

- Almost all have broad economic development objectives;
- None are intended to provide funding for tourism projects or infrastructure specifically, but most include them as eligible activities;
- The regional economic development programs in particular have broad economic development/diversification mandates and direct funding primarily to SMEs (Small and Medium-sized Enterprises) or not-for-profit organizations;
- Apart from the regional programs, most of the funding programs are directed to provincial and municipal government and agencies;
- Public sector and not-for-profit organization funding is grant-based, while assistance to private sector firms, where it occurs, is in the form of interest-free loans;
- Most of the funding programs are intended to provide a leveraging effect; and
- The targeted funding programs under the Build Canada Plan, which are the only programs targeted specifically at infrastructure, also promote environmental and social benefits.

5.2.3 Provincial Funding Programs

Critical elements among the provincial funding programs examined across Canada included:

- All funding programs direct funding to not-for-profit and economic development organizations, municipalities and First Nations / Métis;
- Only three of the eleven programs provided funding to private businesses;
- Most programs are grant-based, with the exception of the three programs that provide repayable loans to the private sector; and
- The only tourism-specific funding programs were Nova Scotia’s Tourism Destination Development program and British Columbia’s Community Tourism Program.

5.2.4 US and International Tourism Development Funding Programs

U.S. and international funding programs all had tourism infrastructure development mandates. In reviewing these programs, it was observed:

- All funding programs direct funding to not-for-profit organizations, government agencies and organizations;
- Six of the thirteen also provide funding for for-profit businesses or businesses that operate attractions for the public sector;
- All programs required donor matching / leveraging - this varies considerably from program to program (a low of 30% (2:1) contribution by the applicant to 70% contribution by the applicant);
- All of the funding programs fund both the development of new and
enhancement/renovation of existing projects;

- Objectives include addressing gaps in tourist product, lengthening stay, increasing economic impact, sustainability and attracting international/overseas visitors; and

- All funding programs apply to capital improvements such as construction of attraction and purchase exhibits, but in some cases extend to information technology, marketing and tourism development plans.

5.3 Innovations in Funding

Traditional methods of funding public infrastructure programs include grants, subsidies and loans. Grants may represent the only funding alternative for investments which provide substantial public benefit but are unlikely to generate predictable or substantial returns.

Innovations in infrastructure funding have been driven by constraints to the availability of government funding for large-scale capital projects and increased interest by the private sector in various types of infrastructure projects. Many of these funding methods contemplate participation of the private sector in financing and building infrastructure. These approaches range from various types of incentives to encourage private sector driven-development to Public Private Partnerships in which projects are initiated and defined by the public sector, but involve private sector partners for funding, construction and/or operation of the infrastructure asset.

Incentive-based models include:

**Alternative Financing** uses private sector financing raised through the capital markets that are pooled and used to fund individual public infrastructure projects that would not otherwise have access to the capital markets or be able to raise funds in a cost-effective manner.

An example of this is Infrastructure Ontario’s OSIFA loan program which is described as a pooled infrastructure financing vehicle that provides eligible public sector participants with efficient access to affordable capital market financing, by borrowing from the market on their behalf.

**Land Banking** can be an effective strategy for local governments to attract desired development to specific locations. Under this practice, a government body or agency purchases a property to sell or lease at a nominal fee or below market price to encourage/induce a desired land use. This is similar to the strategy used by the City of Toronto’s for redeveloping the Port Lands and East Bayfront lands (although these initiatives also have elements of PPPs).

**Brownfield Remediation Grants** provided through grant contributions or tax relief can be used to promote development of inner-city and/or contaminated sites.
**Tax Credits and Exemptions** provide incentives for private sector initiatives and may contribute to making investments which would be marginally viable more attractive. As they do not provide up-front funding, they may not be effective in influencing the initial investment decision where high up-front capital costs pose a challenge. However, they do influence the decision-making of eligible private sector proponents that are making a decision based on the future stream of cash flows and Return on Investment.

**Tax Increment Financing (TIFs) and Tax Increment Equivalent Grants (TIEGs)** are both used in Canada and the United States by municipal government to encourage the development or redevelopment of property. Common applications include brownfields redevelopment, construction of low-income housing, downtown revitalization and façade/interior improvement or renovations.

TIFs and TIEGs act as incentives, providing qualifying landowners with temporary relief from property tax increases on investments made to their properties, where the tax increment is the difference between the taxes on the assessed value of the property pre-development and the taxes based on the reassessed value post-development. In the case of a TIF, the difference in is phased-in incrementally over a specified number of years following redevelopment.

There are important differences between TIFs in Canada and the United States. In the United States, municipalities can create a TIF district and can freeze property taxes to the level before redevelopment.

Any increases stemming from redevelopment can be diverted to a separate TIF authority and can be used to create funds that, in turn, can provide financial incentives for site remediation, new development and rehabilitation of existing buildings. Comparatively, in Canada, there is no provision that allows for the diversion of increases to TIF authorities.

**Bonusing** is a common practice in the municipal development approvals process in both Canada and the United States. Bonusing involves an agreement between a municipality and a developer that allows the developer to build at a higher density than permitted in municipal zoning in exchange for amenities that benefit the Community. This was used by the City of Toronto in its efforts to preserve low-cost arts space and create an arts/culture focus in the Distillery District, allowing developers to build higher residential densities elsewhere on the property.

**Sponsorships** use money from a private contributor, in exchange for some form of public recognition. This type of funding has been used extensively in the construction / renovation of health care facilities and sport and entertainment complexes in the form of naming rights. In Okotoks, Alberta,
sponsoring development of open spaces and recreational areas, and in Winnipeg, Manitoba, sponsorships are being investigated as a means by which to recover operation and maintenance costs in municipal parks.

**Strategic Budget Allocations** consist of a portion of a tax bill placed in a special fund. This money is invested and the interest earned is re-invested. Once established, the fund can be used for future projects. One of the main advantages to this type funding mechanism is it would be applicable to municipalities of any size. However, it would take several years for a municipality to accumulate sufficient funds for a major tourism project. Strategic budget allocations have been used in Surrey, B.C. and Yellowknife, NWT.

**Bonds** can be sold at all levels of government for infrastructure projects. The borrower of the bond repays the capital value of the bond plus interest by a specific date. A tax-exempt bond allows the borrower to obtain funds at a lower interest rate than normal. An advantage to using bonds to fund infrastructure projects is that the funds can be obtained immediately. Bonds are a very popular funding tool in the United States. The Ontario based Municipal Economic Infrastructure Financing Authority began issuing tax-exempt bonds in May 2003.

**Monies held in trust** are a percentage of tax revenues that are dedicated to a specific investment area. The greatest advantage of accessing trust funds to finance infrastructure projects is that there are no long-term costs and they are less expensive than bonds. Trust funds are reviewed as being sustainable, and equitable if their source of revenue is from the users of the infrastructure, e.g., gas tax is directed towards highway infrastructure projects. The United States have used trust funds for the federal funding of highways and transit projects. Trust funds have also been used in Canada—New Brunswick has the Environmental Trust Fund that supports environment conservation projects.

**Special Levies** are sometimes used to fund infrastructure projects when it is difficult to fund through a user pay system and when it would be beneficial to have funds separated from general tax revenue. The use of special levy to finance tourism infrastructure is the concept of collecting provincially legislated road tolls on passenger vehicles at broader crossings into Ontario. Some disadvantages of this funding mechanism include—the administration costs can be substantial and it may be difficult to convince the public of its benefits. Special levies have been used in Ontario before, e.g., Highway 407.

**Hotel taxes** are commonly used to generate revenues in support of destination marketing. The state of California enables municipal governments to levy a hotel tax, which is often used to recover costs of providing government in support of non-resident visitation, as well as destination marketing. San Francisco’s Hotel Tax Fund was launched in 1961 as a means of funding
investment in the arts. It has matured to the point where the tax is levied at a rate of 14%, generating as much as $188.4 million in the peak fiscal year 2000-01. Tax funds are disbursed to a variety of programs, including marketing, support for the arts generally and at specific venues, convention centre support, and low income housing programs.

An Arrival Tax is currently being considered by the US Government under its Travel Promotion Act of 2007. The tax is described as a fee charged to users of a visa waiver program, and would be combined with funds raised through borrowing from the Treasury and assessments on travel industry firms. It is estimated to yield in the order of $65 million/year, with the lion’s share being allocated to Homeland Security and improved airport inspections. Roughly 35% would be allocated to travel promotion and research.

Public-Private Partnerships (also referred to as PPPs, P3s) is a generic term that has come to describe processes where the private sector is engaged by the public sector to provide assets and/or deliver services. We were not able to identify any examples of public-private partnerships that have been used to develop major tourism infrastructure in Canada. However, PPPs have been used to construct multipurpose sports and entertainment centres in several communities—Ottawa: Bell Sensplex; London: John Labatt Centre; Brampton: Powerade Centre; Kelowna: Prospera Place—and cultural facilities—Montreal Concert Hall; Orleans Arts and Town Centre;

Two key concepts of PPPs are risk transfer and Value-for-Money (VFM):

> **Risk Transfer** is an element of all PPPs. It refers to the sharing/transfer of business risks among the various public and private sector partners. Typically, the greatest risks are during the design, engineering and construction phases of a project. Comparatively, the operational phase has a more predictable risk-profile. These differences affect required risk/return relationships for the private sector and require consideration in assessing public and private sector roles in project delivery and operation.

> **Value-for-Money (VFM)** is often difficult to measure and frequently misunderstood. The classic definition of VFM is the optimum combination of whole life costs and quality. This concept relates to the concept that the private sector can provide assets and/or deliver services more efficiently than the public sector. Because this applies to both quality and costs, VFM does not necessarily represent the cheapest solution. The benchmark for assessing VFM is the Public Sector Comparator (PSC), a benchmark that provides a comparison of the hypothetical cost to local government if the project were implemented by the public sector.

Infrastructure Ontario, which is responsible for procurement in Ontario, uses a model it refers to as Alternative Financing and Procurement for large,
complex infrastructure projects.

Using this framework, the role of the private sector may range from participating strictly as a financing partner, to more substantial roles in projects using traditional concession-based approaches where the private sector partner may also be responsible for the design, construction and operation of the infrastructure project.

Infrastructure Ontario’s framework released in 2004 called *Building a Better Tomorrow Framework – An Infrastructure Planning, Financing and Procurement for Ontario’s Public Sector* is framework for assessing projects is based on the following five principles:

- Public interest is paramount;
- Value for money must be demonstrable;
- Appropriate public control and ownership must be preserved;
- Accountability must be maintained; and
- All processes must be fair, transparent and efficient.

### 5.4 Criteria in Funding Decisions

The nature of infrastructure investments has a direct bearing on the method and type of funding used. Not surprisingly, many of the grant-based programs that were reviewed in other jurisdictions were oriented to public sector and not-for-profit organizations and driven by criteria reflecting broad policy objectives. In most cases, the criteria flow from broader development frameworks and the mandates of the funding programs.

In the review of funding programs in other jurisdictions, key criteria tend to include:

**Range of Eligible Applicants:** Many programs are only open to provincial or municipal governments and agencies, local economic development and not-for-profit organizations. The type of applicant also has a direct bearing on the type of funding offered as it was generally observed that funding to government and not-for-profits was distributed through grants, whereas private sector business funding is administered through repayable loans.

**Leveraging / Matching:** The majority of funding programs contemplate some level of matching from the applicant. This may be through equity, other financing sources or in-kind contributions.

**Financial Capability:** There may be requirements for applicants to demonstrate that they have necessary financial resources, particularly where funds are available to private sector businesses.

**Technical Capability:** This refers to whether a business or organization has
the technical ability and resources to carry out the proposed project.

**Mandate of Department / Organization:** Many of the organizations funding criteria related to their own objectives and mandates. As a result, applicants typically need to demonstrate how a given project relates to the goals and objectives of the funding organization.

**Consistency with Local Government Policies Plans:** In addition to the mandate and objectives of funding organizations, there are examples where applicants must demonstrate how a project contributes to other local or regional objectives, plans or policies.

**Sustainable and Measurable Economic Impact:** Several of the programs limit funding to projects that can be shown to have sustainable and measurable economic impacts. In the example of tourism infrastructure funds, there is typically a requirement to demonstrate how a capital improvement will either increase visitation or extend the average length of stay.

**Environmental, Social and Community Benefit:** While many programs have a strong focus on economic impact, many also stress the importance of environmental and community benefit in making decisions. In the case of tourism attractions, their importance in the community and the broader region may also be a consideration.

**Business Plans, Financial Analysis and Timetables:** Funding programs that cater to the private sector business occasionally require business plans demonstrating how the proposed project will be viable. In any case, a funding program typically looks for thorough analysis and consideration of the project before funding is provided.

In the case of PPPs, there are general criteria such as whether the project offers Value For Money (VFM) as measured against the Public Sector Comparator (PSC) alternative. A further consideration for assessing the applicability of PPPs is whether roles and risks can be clearly identified and allocated.
6.0 TOURISM-SPECIFIC INFRASTRUCTURE DEVELOPMENT FRAMEWORK

The development and growth of tourism relies heavily on the development of appropriate infrastructure which services visitor needs and encourages further investment by the private sector in competitive tourism products. New thinking and new infrastructure investment are critical to changing comparative advantage into competitive advantage and achieving real growth in the tourism industry. This section of the paper proposes a framework by which the Province, municipal governments and other planning authorities can identify and prioritize tourism-specific infrastructure projects that enhance the competitiveness of Ontario’s tourism products, destinations and experiences. The framework assumes that a decision has been made, consistent with best practices elsewhere, to commit government funding to an infrastructure grants program.

6.1 Introduction

For the most part, tourism development in Ontario has traditionally been done at the site level—individual property development for hotels, restaurants, resorts and attractions—by individuals and organizations motivated by profit, philanthropic ideals or lifestyle desires proposing or developing tourism-specific infrastructure. Only recently, through the application of the Premier-ranked Tourist Destination Framework and other similar tools, has tourism development taken a regional or destination perspective.

As the strengths and weakness of the region/destination are better understood, it becomes clear that there are many opportunities for better tourism success by planning at the scale of the destination. To rationalize the many potential tourism-specific infrastructure projects that could advance destination development requires a means, a framework, to select projects that:

- Have high domestic and international appeal;
- Improve current visitor satisfaction;
- Build overall destination attractiveness and achieve strong economic, social and environmental outcomes; and
- Address areas of market failure, all within fiscal limitations and varying conditions of the economy.
6.2 Definitions

Tourism-specific infrastructure, for the purpose of this paper, is defined as:

- Tourism related infrastructure that reports to the government of Ontario such as agencies, attractions, convention centres, and provincial parks and conservation areas;
- Cultural facilities;
- Infrastructure that drives investment in the tourism sector and/or leverages partnerships/private sector contributions; and
- Travel information centres.

In brief, it includes four of the five tourism “A”s—attractions, accommodations, activities and amenities. Access (the fifth “A”) is addressed in Appendix E.

Infrastructure development opportunities consist of three categories:

- New initiatives, products and facilities;
- Extensions of current products and facilities; and
- State of good repair (upgrade) improvements.

6.3 Goals for the Framework

The primary purpose of the framework is to identify and prioritize tourism-specific infrastructure projects that will enhance Ontario’s tourism offering and increase visitor satisfaction. The emphasis is on a strategy-driven approach to infrastructure provision.

Consistent with best practices, it is assumed to support infrastructure funding allocation decisions in the context of a larger strategy addressing tourism research, market communications and human resource development initiatives. The framework is also assumed to be a tool to guide funding allocations through a process in which project proponents submit funding applications to a funding agency or program, similar to the Sports, Culture and Tourism Partnership (SCTP) under SuperBuild. It is expected to require that candidate projects be “construction ready”, having completed all aspects of due diligence (business case development, environmental assessment, etc.)

As such, the goals for the framework itself are to:

- Provide a coherent and transparent structure with which to assess requests for infrastructure funding; and
- Provide a basis with which to prioritize among requests competing for funding from a constrained envelope.
6.4 Recommended Tourism Infrastructure Development Framework

The overall structure of the proposed framework defines overarching goals, objectives and principles, then specific prioritization criteria for each of the tourism infrastructure development opportunity types. The suggested objectives are illustrative only, pending further discussion and review through the larger Competitiveness Study.

The **Goals** for application of the framework are to:

- Trigger significant increases in private investment in, visitation to and expenditures at Ontario’s tourism destinations;
- Implement a larger strategy for tourism development, in a manner responsive to identified needs and gaps;
- Maximize the extent to which public and private funds are leveraged through coordinated and focussed investment;
- Optimize returns to investment;
- Support excellence in the conception and delivery of outstanding visitor experiences.

The **Objectives** could be:

- Increase tourism expenditures in Ontario by 50% by 2020;
- Increase tax revenues from tourism by 55% by 2020;
- By 2010, Ontario has a mechanism in place to coordinate public tourism infrastructure funding on a “whole of government” basis;
- By 2015, Canada regains its place in the World Tourism Organization’s ranking of the globe’s “Top Ten” travel destinations; and
- By 2020, Ontario has six new iconic attractions, twelve new regional attractions and has renewed all its agency attractions.

---

35 Tourism expenditures are anticipated to be $16.3 billion in 2008; to increase expenditures by 50 per cent by 2020 requires a three per cent year over year increase.

A “whole of government” approach requires tourism development objectives to be integrated into all provincial ministries infrastructure funding decisions and municipal planning (see Section 8.3).

In 2007, Canada was ranked 14th in international tourist arrivals and 13th in international tourism receipts.

The number of new iconic attractions and regional attractions is arbitrary, based on the development philosophy of theme parks which presupposes the development of one new ride/attraction each year.
The Principles are:

- Funding allocations should:
  - Be guided first by area contributions to total provincial visitation, secondly by regional economic development objectives;
  - Support a staged strategy of first attracting non-domestic visits to gateway centres then dispersing them to surrounding areas / pulling domestic travel from major centres out into surrounding regional areas and the larger province;
  - Balance the creation of new iconic experiences with the maintenance and renewal of existing plant;
  - Resolve barriers to easier travel from gateways and centres to attractions complexes;
  - Support additional private sector investment in tourism infrastructure;
  - Be leveraged wherever possible through complementary funding from private and other government partners, and synergy with other initiatives;
  - Be disbursed through a “whole of government” coordinating window.

- Investment projects must substantiate:
  - The manner in which they implement a defined tourism development strategy and align with Provincial tourism development objectives;
  - Their role in enhancing a regional destination complex with an accessible suite of attractions, amenities and activity elements;
  - An ability to attract US & overseas as well as domestic visitors;
  - A credible business case for investment and a business plan showing a sustainable operating model based on objective research and application of innovation and best practises;
  - Expected outcomes for tourist visitation and expenditures, returns to investment, and community and economic benefits;
  - An investment sourcing strategy that maximizes funding partnerships with senior and junior levels of government and their respective infrastructure/facility funding mechanisms, and with private capital where appropriate; and
  - Integration of efficient approaches to minimizing resource requirements and environmental impacts of facility development and operation.
The Prioritization Criteria for the three infrastructure development opportunity types are:

For **New Initiatives, Products and Facilities**, priority will be given to proposals that:

- Create iconic attractions and new reasons to visit a destination, linked to clearly identified target markets;
- Are connected with and distinct to the destination and cannot be easily replicated in competing tourist destinations;
- Have both a substantial equity contribution from the proponent and a higher proportion of private sector and other government partner funding;
- Incorporate a collaborative approach integrating new project development with new partnerships and leveraged destination development;
- Do not create unfair competition to existing businesses within the host region or elsewhere in the province;
- Demonstrate the organization’s competencies in the area of activity for which funds are sought.

For **Extensions of Current Products and Facilities**, priority will be given to proposals that:

- Create a new visitor experience/reason to visit/reason to stay longer that is linked to clearly identified target markets;
- Are for sites playing a significant role in attracting visitation to a regional complex;
- Have a substantial equity contribution from the proponent;
- Can draw from funding offered by other programs and levels of government;
- Integrate funding from private sector partnerships;
- Do not cause an increase in an operating deficit;
- Enhance site potential to generate operating revenues.

For **State of Good Repair Improvements**, priority will be given to proposals that:
- Resolve health and safety issues;
- Are for sites playing a significant role in attracting visitation to a regional complex;
- Demonstrably improve the visitor experience;
- Reduce site operating costs;
- Enhance site potential to generate operating revenues.
7.0 PROPOSED FUNDING MECHANISM AND STRUCTURE

This section of the paper proposes a funding mechanism and structure by which the Province can provide financial incentives and support to the development of tourism-specific infrastructure that enhances the competitiveness of Ontario’s tourism products, destinations and experience. It draws on the review of 35 capital funding programs provided by federal, provincial and international governments related to the development of infrastructure. The proposed mechanism and structure incorporates the goals, objectives, and principles of the Tourism-Specific Infrastructure Development Framework proposed in Section 6.

The section concludes with a brief description of federal and provincial infrastructure related funding programs available to Ontario.

7.1 Why a Funding Mechanism?

The role of government in tourism development should be directed towards indirect inducement rather than direct intervention and should not have a strong orientation towards directly subsidizing individual businesses or organizations.

Notwithstanding this focus there are circumstances that may require government financial support to enhance the business case for new initiatives, products and facilities / the extension of current products and facilities or to protect prior asset investments through state of good repair improvements.

Properly conceived and strategically implemented, a tourism funding mechanism for tourism infrastructure will facilitate innovation, promote a competitive and expanded tourism sector and increase community economic development.

7.2 Definitions

For ease of reference, definitions for tourism-specific infrastructure and infrastructure development opportunities from the previous section are repeated here. Tourism-specific infrastructure is defined as:

- Tourism-specific infrastructure that reports to the Government of Ontario such as agencies, attractions, convention centres, and provincial parks and conservation areas;
- Cultural facilities;
- Infrastructure that drives investment in the tourism sector and / or leverages partnerships / private sector contributions; and
- Travel information centres.

Infrastructure development opportunities consist of three categories:

- New initiatives, products and facilities;
Extensions of current products and facilities; and
State of good repair (upgrade) improvements.

The purpose of the funding mechanism is to support tourism-specific infrastructure projects which will significantly enhance Ontario’s tourism offering and increase visitor satisfactions. The emphasis is on a strategy-driven approach to infrastructure funding provision.

Consistent with best practices, the mechanism’s structure provides infrastructure funding opportunities in the context of a larger strategy addressing tourism research, market communication and human resource development initiatives.

As such the goals of the funding mechanism and structure are to:

- Provide a consistent, coherent and transparent process with which to provide financial support to strategic tourism-specific infrastructure initiatives; and
- Provide a basis to make certain candidate initiatives provide value-for-money and are consistent with a provincial tourism development strategy.

The number of funding mechanism available to support tourism-specific infrastructure development are many ranging from simple grants and loans programs to more innovated schemes such as tax increment financing and revolving funds.

The choice of a funding mechanism should be predicated on the objectives of the program and the nature of the infrastructure asset being developed. Funding mechanisms such as accelerated depreciation and tax incentives will ease the way to investor attraction, while low-interest or no interest loans may encourage some small and medium size tourism operators to upgrade or expand existing infrastructure.

The proposed funding mechanism to address the issue of gaps in Ontario’s tourism-specific infrastructure is a grant service program that uses various combinations of government (municipal, provincial and federal) and private sector partnerships.

It is recognized, however, that it may be necessary for the Ministry of Tourism to implement more than one type of funding arrangement to close all of the existing gaps in Ontario’s tourism-specific infrastructure. For example, leasing provincially-owned land for a nominal fee or selling it below market value or providing tax credits or exemptions on construction material.

---

36 See Section 5 of this paper for a discussion on alternative financing mechanisms.
7.5 Proposed Mechanism Structure

7.5.1 Eligibility

The following is a description of the proposed structure for the tourism-specific infrastructure grant program. The structure addresses participant and costs eligibility, level of investment and application criteria and evaluation.

Eligible applicants would include:

- Incorporated not-for-profit organizations;
- Municipal governments;
- First Nations band councils;
- Incorporated private sector tourism businesses; and
- Provincially-owned tourism attractions and agencies.

Eligible projects could be those that target the construction or upgrading of major tourism-specific infrastructure identified by tourism planning activities that:

- Directly helps strengthen the tourism economic base;
- Generate measurable direct economic and social spinoffs;
- Significantly enhances the tourism attraction potential;
- Balance the creation of new iconic experiences with the maintenance and renewal of existing plant.

Priority will be given to infrastructure projects that:

- Trigger significant increases in private sector tourism investment;
- Resolve barriers to easier travel from gateways and urban centres to attraction complexes (e.g., signage, people moving systems);
- Target the development or redevelopment of large-scale, significantly important tourist attractions that will serve as a growth driver for the regional/provincial tourism complex;
- Target the development or redevelopment of the Ontario Government’s tourism agencies and attractions.

It is expected that candidate projects are “construction ready” having completed all aspects of due diligence (business plan development, environmental assessments, etc.).

---

37 Due to current government policies, it may be necessary to have separate application processes for First Nation Band Councils, Government of Ontario tourism attractions and agencies, and the private sector.
7.5.2 Eligible Costs

Proposed eligible costs are those that are deemed reasonable, incremental and relate directly to the eligible activities and include:

- Design
- Expanding, constructing or renovating a significant tourism-specific asset;
- Expanding communication technology and accessibility;
- Construction of visitor information centres/welcome centres.

Projects and activities ineligible for funding include:

- Debt refinancing;
- Contingency funding;
- Financing costs (including bank interest and charges);
- Legal and financial consultancy costs;
- Acquisition of land;
- Operating expenses;
- Routine staff salary, wages and benefits;
- Administrative expenses;
- Depreciation;
- Travel, food or lodging;
- Marketing, advertising, trade shows;
- Market research/feasibility studies; business cases, business plans.

7.5.3 Level of Investment

The following are illustrations of possible levels of investment by the Province.

For: Incorporated Not-for-Profit Organizations;
Municipal Governments;
First Nation Band Councils:

Support for projects is limited to projects with a minimum value of $1 million.

The contribution to projects eligible for funding will not normally exceed 33 per cent of proposed eligible costs to a maximum of $5 million. The maximum contribution amount does, however, have flexibility from project to project.

---

38 Including the Premier-ranked Tourist Destination Framework, municipal economic development plans, municipal official plans and the Ministry of Tourism’s Competitiveness Study.
project. Under special circumstances funding may be available for up to 50 per cent of eligible project costs.

Applicants are required to secure at least 67 per cent of total proposed eligible costs of which no more than 40 per cent of the applicant’s contribution can be “in kind” contributions.

Funding awarded under this initiative must not be a substitute for other federal programs, including those offered by Infrastructure Canada, Transport Canada or Canadian Heritage.

Funding will not be approved for major capital projects that have already begun.

For: Incorporated Private Sector Tourism Businesses

Support for projects is limited to projects with a minimum value of $5 million.

The contribution to projects eligible for funding will not normally exceed 25 per cent of proposed eligible costs to a maximum of $5 million. The maximum contribution amount does however have flexibility from project to project. Under special circumstances funding may be available for up to 33 per cent of eligible project costs.

Applicants are required to secure at least 75 per cent of total proposed eligible costs of which no more than 25 per cent of the applicant’s contribution can be “in kind” contributions.

Funding will not be approved for major capital projects that have already begun.

For: Provincially-Owned Tourism Attractions and Agencies

Support for projects is limited to projects with a minimum value of $1 million.

The contribution to projects eligible for funding will not normally exceed 90 per cent of proposed eligible costs to a maximum of $50 million. The maximum contribution amount does however have flexibility from project to project. Under special circumstances funding may be available for up to 100 per cent of eligible project costs.

Applicants are required to secure at least 10 per cent of total proposed eligible costs of which no more than 80 per cent of the applicant’s contribution can be “in kind” contributions.
7.5.4 Criteria and Evaluation

The submission of a funding request application or meeting the eligibility criteria does not guarantee the applicant will be approved for all or any funding requested.

Only those projects that demonstrate their ability to achieve the strategic direction identified in tourism planning activities will be considered. As this is a competitive process, projects are evaluated based on their ability to meet the following evaluation criteria.

**Strategic Significance:**

- Evidence that the project is connected with and distinct to the destination and cannot be easily replicated in competing tourist destinations;
- Evidence that the project enhances the regional tourism complex;
- Encourages innovation, the use of new approaches and best practices and more efficient use of existing infrastructure.

**Qualifications of the Organization:**

- The organization has demonstrated experience/knowledge in the area of activity for which the funds are sought;
- The organization has evidence of administrative competence through the completion of similar projects.

**Needs Assessment:**

- The proposed project addresses a specific problem area(s) or need(s) identified in tourism planning activities, e.g., community / regional tourism development plan;
- Supporting information is based on objective research;
- The proposed project has been developed with input from visitors and other beneficiaries, e.g., regional community.

**Project Viability:**

- The project is supported by a business case/feasibility study that has been subjected to a due diligence review;
- The proposal identifies the project’s inherent risks and proposes a plan for mitigation.
Project Evaluation:

- Presents a plan for evaluating the accomplishment of the project’s objectives;
- The plan clearly states evaluation criteria by which performance will be measured.

Costs and Financing:

- Applicant organization (with the exception of Government-owned tourism attractions and agencies) is providing a substantial equity contribution;
- The project maximizes funding partnerships with senior and junior levels of government and the private sector.

Future Financing:

- The business plan establishes a capital reserve for major maintenance, repairs and product revitalization;
- The business plan outlines a specific plan to obtain ongoing funding (if required) after the project is complete.

Economic Benefits:

- The proposal identifies economic benefits during and after the project;
- Data inputs to the calculation of economic impact have been subjected to due diligence.

Return on Investment:

- The overall value of the project (the relationship of benefits to costs) is high.

Evaluation criteria for the infrastructure development opportunity type are:

For New Initiatives, Products and Facilities:

- Assurances that the project does not create unfair competition to existing businesses within the host region or elsewhere in the province.

For Extensions of Current Products and Facilities:

- Creates a new visitor experience/reason to visit/reason to stay longer that is clearly linked to identified markets;
Does not cause an increase in an operating deficit;
- Enhances the potential to generate operating revenues.

For **State of Good Repair Improvements**: 

- Resolves health and safety issues;
- Reduces site operating costs;
- Enhances the potential to generate operating revenues.

### 7.6 Current Funding Programs Available to Ontario

#### 7.6.1 Federal Programs

**Eastern Ontario Development Program**: This program is managed through FedNor. The aim of the program is to address socio-economic challenges in rural Eastern Ontario. This is done by investing in projects that fit within five economic priorities: business and community development; access to capital; skills development; retention and attraction of youth; and technological enhancement.

**Northern Ontario Development Program**: The Northern Ontario Development Program is managed through FedNor. It is designed to promote economic growth, diversification, job creation and sustainable communities in Northern Ontario.

**Cultural Space Canada**: Cultural Spaces Canada (CSC) is a program delivered through the Department of Canadian Heritage. The purpose of CSC is to improve the physical condition of arts and heritage facilities through infrastructure funding. It is designed to increase and improve access for Canadians to the performing arts, visual arts, media arts, and to museum collections, heritage displays and exhibitions.

**Building Canada Plan**: The Building Canada Plan is a federal investment plan that contributes $33 billion to Canadian municipalities over seven years for public infrastructure. Funding is paid directly to the Province and agreements are then formed between the Province and an individual recipient. Funding is available through various sources. They are:

- **Gas Tax Fund**: The Gas Tax Fund supports cleaner air, cleaner water and reduced GHG emissions by providing funding to public transit, water and wastewater infrastructure, community energy systems, the management of solid waste, and local roads and bridges that enhance sustainability outcomes.
Public Private Partnership Fund - The purpose of the P3 Fund is to expand infrastructure financing alternatives in Canada, provide incentives to attract investments from the private sector, and increase knowledge and expertise in alternative financing.

Municipal GST Rebate - The purpose of this program is to help Canadian municipalities address their highest priorities, from new infrastructure assets to the maintenance and operation of existing public infrastructure and facilities.

Building Canada Fund - The BCF focuses on projects that deliver economic, environmental, and social benefits to Canadians. The priority funding categories for the fund will be core national highway system routes, drinking water, wastewater, public transit and green energy.

Gateway and Border Crossing Fund - Funding is strategically directed towards trade corridors linking international gateways; especially those that are impacted by increased trade flows, inter-modal connectors and facilities, international bridges and tunnels, rail/road grade separations, short-line rail, short-sea shipping and intelligent transportation systems.

Provincial Territorial Based Funding - This funding program supports the safety and rehabilitation of infrastructure in all of the categories noted under the Building Canada Fund, as well as non-core National Highway System infrastructure.

7.6.2 Provincial Programs

Rural Economic Development Program: The Rural Economic Development Program (RED) is a program provided through the Ontario Ministry of Agriculture, Food and Rural Affair’s. The purpose of RED program is to help rural communities remove barriers to community development and economic growth. The objective of the program is to diversify the business climate in rural Ontario, create/retain jobs, coordinate local/regional economic development, create partnerships, and develop information, tools and resources to help economic development.

Community and Province-Wide Program: The Ontario Trillium Foundation distributes funding for the Community and Province-Wide Program. The purpose of this program is to build healthy and vibrant communities through initiatives that strengthen the capacity of organization in the arts and culture, human and social services and sport and recreation. The new initiatives may either impact the health of a single community or the Province at large.

Community Museum Operating Grant: The Community Museum Operating Grant (CMOG) is provided through the Ministry of Culture. The purpose of CMOG is to strengthen the role of museums as custodians and interpreters of
Ontario’s irreplaceable heritage through operating grants.

**Infrastructure Community Development Program:** The Infrastructure Community Development Program is provided through the Northern Ontario Heritage Fund Corporation and delivered through the Ministry of Northern Ontario Development and Mines. The purpose of this program is to encourage partnerships that create jobs and improve economic prospects in Northern Ontario through improvements to infrastructure.

**Enterprise North Job Creation Program:** The Northern Ontario Heritage Fund Corporation provides this program. The purpose of the Enterprise North Job Creation Program is to provide private sector businesses with financial assistance for initiatives that will bring new jobs and economic benefit to Northern Ontario through infrastructure development.

**Eastern Ontario Development Fund:** The Eastern Ontario Development Fund is provided through the Ministry of Economic Development and Trade. The purpose of this program is to attract new investments that will create new jobs in eastern Ontario. It intends to do this by providing financial assistance for capital spending, skills development and infrastructure needs that will help to retain, expand and attract business to the area.

**The Municipal Infrastructure Investment Initiative:** The Municipal Infrastructure Investment Initiative (MIII) is a one-time funding program delivered through the Province of Ontario. The purpose of this program is to support the construction and renewal of municipally owned infrastructure assets across Ontario.
8.0 KEY STRATEGIES FOR MOVING FORWARD

Preceding sections of the Tourism-Specific Infrastructure Research Paper have reviewed trends affecting tourism infrastructure development, infrastructure gaps and best practices and have recommended a development framework and funding criteria. This concluding section recommends key strategies for moving forward to a strategically focussed approach to increased public and private sector investment in Ontario’s tourism economy.

8.1 A Strategic Context

To ensure that infrastructure investment occurs and implements a larger tourism development strategy, and to send clear signals to private sector investors, it is recommended that:

**Recommendation 1:**
A grant program for public infrastructure be developed as one element of a larger tourism investment strategy addressing:

- Research and Analysis;
- Infrastructure Development;
  - Access and utilities;
  - Experience product complexes;
- Market Communications; and
- Human resource capacity development.

**Recommendation 2:**
The Tourism Infrastructure element in that larger strategy be rolled in to Ontario’s Infrastructure Strategy.

8.2 Defined Infrastructure Priorities

To ensure that tourism infrastructure investment is strategically prioritized and deployed, it is recommended that:

**Recommendation 3:**
Funding priority be given to the travel regions attracting the highest visitation from non-domestic and domestic tourists:

- Toronto & Area;
- Central Ontario;
- Southwestern Ontario;
- South-Central Ontario;
- Niagara Region; and
- Ottawa Region.
Recommendation 4:
Funding priority for tourism infrastructure investment be given to the following key types of infrastructure:

- Access, including signage and way-finding;
- Waterfront development including waterways;
- Government Agencies and Attractions, including Ontario Parks;
- Visitor Centres;
- Broadband Communications Technology; and
- Trails.

Recommendation 5:
Funding for private investment in attractions and accommodations plant generally be market induced and industry led, with direct funding by government (vs. other incentives) only in special circumstances.

Recommendation 6:
High level tourism development strategies for key gateways/centres and their surrounding areas be prepared, with sub-regional destination development strategies then articulated for further detail, to define funding priorities among the key infrastructure types.

Recommendation 7:
The core organizing structural elements for Ontario’s primary tourism zone should include:

- Efficient access between Toronto and Niagara and their surrounding areas defined by two hour travel times;
- Recognition and integration of potential internationally iconic natural heritage features, waterfronts and waterways as illustrated by the following maps.
Figure 8.1: Key Features in the Primary Tourism Zone
Figure 8.2: Key Tourism Features in Northern Ontario
Recommendation 8:
The creation of destination complexes or clusters be the fundamental objective of sub-regional strategies, addressing linkages between attractions, accommodation, amenities, activities and access elements.

Recommendation 9:
A new partnership of travel information centres based on best practices be considered (e.g. using a 3-tier system (provincial, regional and local) with established service standards (accreditation) and a new visual identity. Focus should be on clearly branded locations that support the travel patterns of visitors including non-traditional high volume locations.

Recommendation 10:
Provide flexibility in implementation, in recognition that imminent events or opportunities may not enable time for preparing related destination development strategies (e.g., the 2010 G-8 Summit, War of 1812 events).

To ensure that tourism development occurs with an efficient and integrated “whole of government” approach, it is recommended that:

Recommendation 11:
Development of a more competitive tourism industry in Ontario is explicitly identified as a measurable performance objective for all Ontario government infrastructure funding programs and planning activities, including the current Growth Plan conformity work and the Metrolinx “Big Move” Draft Regional Transportation Plan.

Recommendation 12:
The high level and sub-regional tourism development plans referred to above be referenced in all provincial Ministries’ (except Health) infrastructure funding decisions.

Recommendation 13:
The Ontario Ministry of Tourism should appoint an office with primary responsibility for coordinating tourism infrastructure funding decision-making across provincial and federal ministries and agencies, and for standing as a one-stop resource for entities preparing destination development plans and/or funding applications.

Recommendation 14:
The Ontario Ministries of Tourism and Municipal Affairs develop, on a priority basis, a guideline document to motivate and assist municipalities in the integration of tourism development objectives with other objectives defined and sought through municipal planning, including Official Plans, Community Improvement Plans, and incentive (e.g., Tax Increment
Financing programs to support new development in brownfield, urban core, waterfront and other priority areas.

**Recommendation 15:**
Ontario’s upper, single and lower tier municipalities participate in and help drive the implementation of destination development strategies by integrating development objectives into municipal planning priorities and documents, including Official Plans, Community Improvement Plans, and incentive programs.

To guide provincial funding for tourism-specific infrastructure investment, it is recommended that the Ministry of Tourism adopt the development framework and funding criteria described below:

**Recommendation 16:**
Adopt a Funding Framework incorporating the following Goals, Objectives, Principles and Prioritization Criteria:

**Goals:**

- Trigger significant increases in private investment in, visitation to and expenditures at Ontario’s tourism destinations;
- Implement a larger strategy for tourism development, in a manner responsive to identified needs and gaps;
- Maximize the extent to which public and private funds are leveraged through coordinated and focussed investment;
- Optimize returns to investment;
- Support excellence in the conception and delivery of outstanding visitor experiences.

**Objectives**[^39]:

- Increase tourism expenditures in Ontario by 50% by 2020;
- Increase tax revenues from tourism by 55% by 2020;
- By 2010, Ontario has a mechanism in place to coordinate public tourism infrastructure funding on a “whole of government” basis;
- By 2015, Canada regains its place in the World Tourism Organization’s ranking of the globe’s “Top Ten” travel destinations; and
- By 2020, Ontario has six new iconic attractions, twelve new regional attractions and has renewed all its agency attractions.

[^39]: The suggested objectives are illustrative only, pending further discussion and review through the larger Competitive Study.
**Principles:**

- Funding allocations should:
  - Be guided first by area contributions to total provincial visitation, secondly by regional economic development objectives;
  - Support a staged strategy of first attracting non-domestic visits to gateway centres then dispersing them to hinterlands / pulling domestic travel from major centres out into regional hinterlands and the larger province;
  - Balance the creation of new iconic experiences with the maintenance and renewal of existing plant;
  - Resolve barriers to easier travel from gateways and centres to attractions complexes;
  - Support additional private sector investment in tourism infrastructure;
  - Be leveraged wherever possible through complementary funding from private and other government partners, and synergy with other initiatives;
  - Be disbursed through a “whole of government” coordinating window.

- Investment projects must substantiate:
  - The manner in which they implement a defined tourism development strategy and align with Provincial tourism development objectives;
  - Their role in enhancing a regional destination complex with an accessible suite of attractions, amenities and activity elements;
  - An ability to attract US & overseas as well as domestic visitors;
  - A credible business case for investment and a business plan showing a sustainable operating model based on objective research and application of innovation and best practices;
  - Expected outcomes for tourist visitation and expenditures, returns to investment, and community and economic benefits;
  - An investment sourcing strategy that maximizes funding partnerships with senior and junior levels of government and their respective infrastructure/facility funding mechanisms, and with private capital where appropriate; and
  - Integration of efficient approaches to minimizing resource requirements and environmental impacts of facility development and operation.
Prioritization Criteria:

For New Initiatives, Products and Facilities, priority will be given to proposals that:

- Create iconic attractions and new reasons to visit a destination, linked to clearly identified target markets;
- Are connected with and distinct to the destination and cannot be easily replicated in competing tourist destinations;
- Have both a substantial equity contribution from the proponent and a higher proportion of private sector and other government partner funding;
- Incorporate a collaborative approach integrating new project development with new partnerships and leveraged destination development;
- Do not create unfair competition to existing businesses within the host region or elsewhere in the province;
- Demonstrate the organization’s competencies in the area of activity for which funds are sought.

For Extensions of Current Products and Facilities, priority will be given to proposals that:

- Create a new visitor experience/reason to visit/reason to stay longer that is linked to clearly identified target markets;
- Are for sites playing a significant role in attracting visitation to a regional complex;
- Have a substantial equity contribution from the proponent;
- Can draw from funding offered by other programs and levels of government;
- Integrate funding from private sector partnerships;
- Do not cause an increase in an operating deficit;
- Enhance site potential to generate operating revenues.

For State of Good Repair Improvements, priority will be given to proposals that:

- Resolve health and safety issues;
- Are for sites playing a significant role in attracting visitation to a
regional complex;
➢ Demonstrably improve the visitor experience;
➢ Reduce site operating costs;
➢ Enhance site potential to generate operating revenues.

Recommendation 17:

Adopt a set of Funding Criteria incorporating the following:

Eligibility Criteria:

Eligible applicants would include:

➢ Incorporated not-for-profit organizations;
➢ Municipal governments;
➢ First Nations band councils;
➢ Incorporated private sector tourism businesses; and
➢ Provincially-owned tourism attractions and agencies.

Eligible projects could be those that target the construction or upgrading of major tourism-specific infrastructure identified by tourism planning activities that:

➢ Directly helps strengthen the tourism economic base;
➢ Generate measurable direct economic and social spinoffs;
➢ Enhance the tourism attraction potential;
➢ Balance the creation of new iconic experiences with the maintenance and renewal of existing plant.

Proposed eligible costs are those that are deemed reasonable, incremental and relate directly to the eligible activities and include:

➢ Design
➢ Expanding, constructing or renovating a tourism-specific asset;
➢ Expanding communication technology and accessibility;
➢ Construction of visitor information centres/welcome centres.

Projects and activities ineligible for funding include:
8.0 KEY STRATEGIES

- Debt refinancing;
- Contingency funding;
- Financing costs (including bank interest and charges);
- Legal and financial consultancy costs;
- Acquisition of land;
- Operating expenses;
- Routine staff salary, wages and benefits;
- Administrative expenses;
- Travel, food or lodging;
- Marketing, advertising, trade shows;
- Market research/feasibility studies.

Evaluation Criteria:

- Strategic Significance;
- Qualifications of the Organization;
- Needs Assessment;
- Project Viability:
- Project Evaluation;
- Costs and Financing;
- Future Financing;
- Economic Benefits;
- Return on Investment.

8.5 Future Research

Recommendation 18:
Investigate the use of expenditure data (relative to yield) recognizing the roles of non-domestic visitors and the Visiting Friends and Relatives (VFR) and cottage/chalet domestic visits to define the geography of Ontario’s primary tourism zone.
1000 Island and St. Lawrence Seaway Tourism Marketing Partnership (2008). *1000 Islands - St. Lawrence Seaway Regional Report.*


Department of Local Government and Regional Development of Western Australia (2007). *Regional Infrastructure Funding Program Guidelines.* Prepared by Department of Local Government and Regional Development.

Department of Sport and Recreation Government of Western Australia (unknown). *Community Sporting and Recreation Facilities Fund – Guidelines for Applicants 2009/10 Funding Round.* Prepared by Department of Sport and Recreation.


Ontario Parks (2008). A Submission by the Ministry of Natural Resources to the Ontario Tourism Competitiveness Study.


Tourism Western Australia (2007). *Tourism Western Australia, Strategic Plan 2008 to 2013, Building the Future.*


Appendix A

Affiliations of
Contacted Stakeholders and
Industry Experts
## Affiliations of Contacted Stakeholders and Industry Experts

**Affiliation**  
Algoma Kinniwiabi  
Direction Ontario  
Failte Ireland  
FedNor  
Great Lakes Cruising  
Niagara Falls Tourism  
North of Superior Travel Association  
Northern Ontario Tourist Outfitters  
Ontario Federation of Snowmobile Clubs  
Ontario Ministry of Citizenship  
Ontario Ministry of Culture  
Ontario Ministry of Health Promotion  
Ontario Ministry of Natural Resources  
Ontario Ministry of Northern Development  
Ontario Ministry of Tourism  
Ontario Parks  
Ontario Tourism Marketing Partnership Corporation  
State of Illinois  
Tourism Toronto  
Tourism Western Australia  
Tourism Windsor
Appendix B

Interview Guides
Hi, I am [name] and I am with the firm of Malone Given Parsons Ltd. MGP has been retained by the Ontario Ministry of Tourism’s Competitiveness Study to identify best practices in tourism infrastructure development and funding. I would like to ask you a few questions regarding your province/state’s approach to tourism infrastructure development.

In the Province of Ontario and for the purpose of this interview tourism-related infrastructure supports attractions (convention centres, museums, galleries, theme parks, boardwalks/waterfront development), access (transportation), accommodations (hotels, resorts, and campgrounds), amenities (restaurants, retail) and activities (trails, golf courses) and can be 1) new initiatives, products or facilities, 2) extensions of current products, or 3) state of good repair improvements.

1. In [province/state] in which ministries/departments does the responsibility for tourism infrastructure development reside?
2. Does [province/state] have a formal policy or program specifically for the development and funding of tourism-specific infrastructure?
3. How long has this policy or program been in affect?
4. What types of infrastructure does it include? [attractions, cultural facilities, trails]
5. What are the goals and objectives of the policy/program?
6. What is the role of the federal, provincial/state, municipal governments in tourism infrastructure development in [province/state]?
7. What is the role of the private sector in tourism infrastructure development?
8. To what extent does [province/state] utilize public-private partnerships in tourism infrastructure development?
9. Does [province/state] have a policy to guide public-private partnerships?
10. Does [province/state] have a long-term tourism infrastructure development plan?
11. Is the plan included as part of the [province’s/state’s] overall infrastructure plan?
12. Does [province/state] have a framework/process to screen the eligibility of proposed tourism infrastructure projects? What are the criteria used? [economic impact, social impact, technological innovation]
13. Is there a framework/process that is used to prioritize tourism infrastructure projects? If not, how do you decide which projects to implement?
14. What sources of funding are used to finance the development of tourism
infrastructure for:

- New initiatives, products or facilities
- Extensions of current products
- State of good repair improvements?

15. What does the province/state fund and at what stage of the process? [up-front capital, operational funding, sustainable funding]

Thank you for taking the time to speak with me today; your help is really appreciated. Once I have my notes written up, may I send them to you to look at just to make sure I captured your comments correctly?
Stakeholder Interview Guide

Hi, I am [name] and I am with the firm of Malone Given Parsons Ltd. MGP has been retained by the Ministry of Tourism’s Competitiveness Study to identify the needs/gaps in the province’s tourism specific infrastructure. I would like to ask you a few questions regarding tourism infrastructure as it relates to your [region/organization]. It will only take a few minutes of your time and it will help the Ministry identify key infrastructure gaps.

For the purpose of this interview, tourism-related infrastructure supports attractions (convention centres, museums, galleries, theme parks, boardwalks/waterfront development, Ontario parks), access (transportation), accommodations (hotels, resorts, and campgrounds), amenities (restaurants, retail) and activities (trails, golf courses) and can be 1) new initiatives, products or facilities, 2) extensions of current products, or 3) state of good repair improvements.

Please note that we are not asking for specific private sector tourism-related infrastructure (e.g., a specific theme park), but would like to have your comments related to general categories (e.g., theme parks)

1. As it relates to your region/organization, what do you believe are the three most critical needs or gaps in Ontario’s tourism infrastructure? [If transportation is not one of the three issues ask: Are there any critical transportation issues in your region?]  
2. Why do you consider these to be a priority?  
3. Which of these initiatives do you believe could have the highest potential for product development? Highest potential being defined as tourism infrastructure that has the greatest probability of generating economic returns and tourism sector growth.  
4. Could this initiative be linked with other tourism products or regions?  
5. What would you consider to be the necessary nature of funding for undertaking these types of tourism-specific infrastructure initiatives? [operating revenues, P3s, grants, guaranteed loans]
   ➢ New initiatives, products or facilities  
   ➢ Extensions of current products  
   ➢ State of good repair improvements?  
6. Can you further describe the nature of the funding, for example, one-time funding, on-going operational funding, or funding leading to sustainability?

Thank you for taking the time to speak with me today; your help is really appreciated.
Appendix C

Tourism Infrastructure Frameworks in Other Jurisdictions
INFRASTRUCTURE DEVELOPMENT FRAMEWORKS

Introduction

This Appendix contains information on infrastructure development frameworks used by provincial and international governments and agencies and tourism organizations to identify and prioritize infrastructure projects.

The focus is not on the eligibility criteria used to qualify funding but rather the decisive factors employed to assess the relative merits of the project and determine its ranking in a hierarchy of opportunities.

The information presented is based on the results of a broad-based web search to identify jurisdictions that have a formal and structured approach to infrastructure development. Unfortunately, most infrastructure plans reviewed do not provide definitive details on the decision-making process.

Overview

The results show that the frameworks used to identify and prioritize infrastructure development projects are as unique and varied as the organizations that manage them.

Of the 10 frameworks reviewed, all are connected to an infrastructure funding program. Each framework contains a predetermined set of assessment criteria and in the case of South Africa and California, a point scoring ranking system has been devised.

Common assessment criteria include economic, environmental, and health and safety benefits. Six of the ten frameworks reviewed assess a project based on long term financial viability and four of the ten assess the sufficiency of matching resources. One framework (Alberta) assesses projects in light of protecting previous government investments.

Four of the frameworks (Municipal Infrastructure Investment Initiative (Ontario), Tourism Destination Development Program (Nova Scotia), Regional Infrastructure Funding Program (Western Australia), Tourism Capital Investment Program (Ireland)) require that the projects contribute to the implementation of an existing plan or strategy.

Absent, for the most part, are assessment criteria related to the project serving as a catalyst for further infrastructure development, the project’s promoters experience/qualifications for operating the facilities, and risk assessment.

ALBERTA

Major Community Facilities Program (MCFP)

Purpose

Intended to assist municipalities and not-for-profit organizations to plan, upgrade, and develop large outdoor and in-door community use facilities in
order to enhance community life and citizen well-being.

**Objectives:**

- To enhance and protect existing large community facility infrastructure needs in Alberta.
- To assist in the development of large community public-use facilities.
- To encourage Alberta communities to build on their strong tradition of volunteerism.
- To empower local citizens, community organizations and municipalities to work together.
- To reinvest revenues generated from provincial lotteries into Alberta communities.

**Assessment Criteria**

- Project viability
  - Applicant profile.
  - Sufficiency of matching resources.
  - How total project funding will be provided.
  - Long term financial viability including operating costs.

- Project Benefits
  - Direct and indirect community economic benefits.
  - Quality of life/community wellness enhancements.
  - Operational efficiencies.
  - Protection of previous provincial investments.

- Community and Regional Need
  - Public safety/improved access.
  - Enhanced utilization/meet changing needs.
  - Municipality/community support.

- Availability of MCFP Funding
  - Prior funding to applicant.
  - Regional funding equity.

- Special Considerations
  - Proven extraordinary need.
  - Priority within high needs region.
  - Special events/disaster related.
Regional/provincial scale projects.

In addition, consideration will be given to:

- How the project will benefit community residents beyond the applicant’s direct membership.
- The extent to which the project duplicates other available facilities in the area.
- The number of MCFP applications received from the same community/region and previous provincial grants to the applicant, community and region.

**Application Review/Decision Making Process**

MCFP administration reviews the application based upon the program guidelines. If necessary, MCFP administration contacts the applicant to obtain additional information.

MCFP administration prepares a project evaluation sheet and a draft decision sheet including a funding recommendation and forwards this documentation to the Minister.

**ONTARIO**

**Building Canada Agreement: Canada-Ontario Infrastructure Program**

**Purpose**

To improve urban and rural municipal infrastructure in Canada and Ontario.

**Objectives:**

- Enhance the quality of Canada's environment.
- Support long-term economic growth.
- Improve community infrastructure.
- Build 21st century infrastructure through best technologies, new approaches and best practices.

**Assessment Criteria**

- Enhancement of the quality of the environment
  - Improving water quality.
  - Improving air quality.
  - Improving water and waste management.
  - More efficient energy use.
- Support of long-term economic growth
  - Increasing economic opportunity in communities.
APPENDIX C

- Safer and more efficient movement of people and goods.
- Increasing access to new economy through improved telecommunications for local public institutions or remote and rural areas.
- Increasing tourism opportunities.

- Improvement of community infrastructures
  - Increasing community public safety and environmental health.
  - Increasing supply of affordable housing.
  - Supporting Canadian heritage and culture.
  - Increasing access to local recreational facilities.
  - Supporting the development of English and French linguistic minority communities.

- Encouraging best technologies, new approaches and best practices
  - Encouraging innovation.
  - Encouraging the use of new approaches and best practices.
  - Encouraging more efficient use of existing infrastructure.
  - Promoting partnership contributions.

### Application Review/Decision Making Process

The management committee determines if the project is consistent with the terms and conditions of the Ontario infrastructure program. Those projects that are eligible are sent to the Federal Co-chair for comment. After the project has been nominated by the Ontario co-chair, the management committee ensures the application is consistent with objectives and investment targets, meets the eligibility criteria, is structured so that ongoing costs are borne by the applicant and there is a business case.

The decisions, approvals and recommendations of the Management Committee are given to the Co-chairs and are acted upon when agreed by the Co-chairs. Approval for projects will only be issued once a joint letter to the applicant is signed by both Co-chairs.

### The Municipal Infrastructure Investment Initiative (MIII)

#### Purpose

To support investments in local infrastructure priorities in communities across Ontario.

Objective: To support the construction or renewal of municipally owned infrastructure assets.

#### Assessment Criteria

- Construction readiness.
APPENDIX C

- Alignment with provincial policy objectives.
- Benefit of the project to the community, region and province including:
  - Economic or commercial benefits.
  - Environmental or sustainability benefits.
  - Health and safety benefits.
  - Social and community benefits.
- The project contributes to the implementation of a council-adopted plan/strategy.
- Regional distribution of projects around the province.

**Application Review/Decision Making Process**

The review of applications is coordinated by the Ministry of Energy and Infrastructure with a comprehensive group of other provincial ministries with relevant expertise involved in the review of applications.

The evaluation of an application is conducted in two stages. The first stage is a compliance review to determine whether the basic eligibility requirements are met—all applications deemed compliant are considered as candidates for funding. The second stage determines whether the application will receive funding based on meeting the Funding Assessment Criteria.

- Construction readiness.
- Alignment with provincial policy objectives.
- Benefits to the community, region and province:
  - Economic or commercial benefits.
  - Environmental or sustainability benefits.
  - Health and safety benefits.
- Implements a council-adopted plan or strategy.
- Regional distribution of the projects.

**NOVA SCOTIA**

**Tourism Destination Development Program (TDDP)**

**Purpose**

To support the development and enhancement of tourism attractions, sites, and experiences that build on competitive product strengths, ultimately strengthening destinations in Nova Scotia.

Objectives: To invest in the development and enhancement of tourism, attractions, sites, and experiences that incorporate Nova Scotia’s strategic priorities and creates products and services that are unique.
Assessment Criteria

- Identified in the Tourism Destination Development Plan;
- Linkages to strategic actions;
- Enhances product market-readiness;
- Strength of market demand/potential;
- Targets key markets described in the Tourism Plan;
- Financially sustainability;
- Leverages alternative funding sources;
- Potential for a Return on Investment (ROI).

Application Review/Decision Making Process

Applicant must contact tourism development staff, the regional tourism industry association, regional development authority and municipality to discuss project and ensure compatibility with other initiatives.

Based on the feedback, applicants prepare a project proposal and application form that satisfies all of the criteria guidelines. Tourism staff review and evaluate the proposal and forward it for final approval through the Tourism Partnership Council and Department.

CALIFORNIA

Infrastructure State Revolving Fund (ISRF)

Purpose

Provides low-cost financing to public agencies for a wide variety of infrastructure projects.

Objectives: To enhance the economic growth, quality of life and revitalization of California communities through low-cost financing of infrastructure and economic development projects.

Assessment Criteria

The ISRF has two stages of criteria that an applicant must satisfy to receive funding. The first stage is the Threshold Eligibility Criteria which includes:

- Need for ISRF funding
- Readiness to proceed
- Tax-exempt status
- Impact on economically distressed communities
- Compliance to loan underwriting criteria
- Source of loan repayment
Project financial feasibility
Contractor pre-qualification

Applications meeting all Threshold Eligibility Criteria are ranked based on a 200 point scoring system based on the following criteria:

- **Project Impact:**
  - Job creation
  - Economic base employment
  - Community employment development plan
  - Quality of life/community amenities

- **Community Economic Need:**
  - Unemployment Rate
  - Median Family Income
  - Change in Labour Force Employment
  - Poverty rate

- **Land Use, Environmental Protection and Approved Housing**
  - Land use priorities
  - Support and promote the protection / improvement of the environment
  - Located in approved General Housing Element

- **Leverage ratio of all private and public funds committed to project**
- **Readiness to commence**

**Application Review/Decision Making Process**

The loan application is a two stage process. The first stage is the Preliminary Application phase, which determines whether the application meets the Threshold Eligibility Criteria. In the second stage the approved applicants submit a Loan Application which is ranked (assessed) according the prioritizing point system that is listed above.

**WESTERN AUSTRALIA**

**Community Sporting and Recreation Facilities Fund (CSRFF)**

**Purpose**
To support the creation of sustainable infrastructure for sport and recreations.

Objectives: To increase participation and advocate healthy lifestyles through sport and recreation across the State.
Assessment Criteria

- Project justification
- Planned approach
- Community consultation
- Management planning
- Access and opportunity
- Design
- Financial viability
- Coordination
- Potential to increase physical activity
- Sustainability

In addition, applicants must demonstrate how their project aligns with their asset management plan and are assessed based on the scope, time and budget being proposed.

Application Review/Decision Making Process

Applicants are required to communicate with their State Sporting Association to obtain information when planning the project, particularly information related to technical design issues. Before an application is forward to CFRFF, applications are reviewed and recommendations are made by the local government authority (LGA) and State Sporting employees. The CFRFF Advisory Committee considers the applications and makes recommendations. Minister approval is required before the project can proceed.

Regional Infrastructure Funding Program (RIFP)

Purpose

To encourage, promote and support the sustainable development of regional Western Australia.

Objectives: To strengthen regional economies by attracting investment and increasing jobs; enable regional communities to be more educated, healthy, safe and supportive, with an enhanced quality of life; and contribute to protecting the environment.

Assessment Criteria

- Construction readiness
- Produces at least one of the desired positive outcomes contained in the Regional Development Policy which include:
  - Employment growth
  - Population increase
  - Improved availability and access to services
o Improved education and information technology links
o Improved access to post-compulsory education
o Better health outcomes
o Enhanced Indigenous economic development
o Conservation of unique habitats

➢ Demonstration of financial commitment through sourcing other project funding
➢ Demonstration that all alternative sources of funding have been considered
➢ Assurances that the project does not create unfair competition to existing industry and businesses
➢ Level of support by the relevant Regional Development Commissions and key stakeholders
➢ Promotes partnerships within the region, between communities and businesses and various levels of government

### Application Review/Decision Making Process

Each application is assessed against the scheme’s criteria by the Department of Local Government and Regional Development and submitted to an advisory panel for recommendation to the Ministry of Regional Development. The Minister makes a recommendation to the Cabinet Standing Committee on Regional Policy, which makes a decision for endorsement by Cabinet. The Minister may recommend supporting an application that does not meet the eligibility criteria if particular benefits or exceptional circumstances can be shown to apply.

A quorum of four members from the above panel is required to make a recommendation to the Minister. Senior representatives from the relevant Regional Development Commission are invited to comment to the panel on projects on their region. Representatives from other Government agencies may be invited to make comment to the panel related to their agency or client groups. The panel’s assessment and any other invited assessments are made available to the Cabinet Standing Committee on Regional Policy.

### IRELAND

#### The Department of Arts, Sport and Tourism Sports Capital Program

**Purpose**

To foster an integrated and planned approach to developing sports and physical recreation facilities throughout Ireland.
Objectives:

➢ Assist voluntary and community organizations, national governing bodies of sport and local authorities to develop high quality, safe, well-designed and sustainable facilities in appropriate locations and to provide appropriate equipment to help maximize participation in sport and physical recreation.

➢ Prioritize the needs of disadvantaged areas in the provision of sports facilities.

➢ Encourage the multi-purpose use of local, regional and national sports facilities by clubs, community organizations and national governing bodies of sport.

Assessment Criteria

➢ Increases active participation in sport especially among women and/or improves standards of sports performance particularly in disadvantage areas

➢ Located in an area in need of a sporting facility.

➢ Project realistic in scale, cost and grant assistance sought

➢ Proven history of fundraising

➢ Realistic forecasts for income from the proposed facility

➢ High priority in relation to existing facilities

➢ Evidence of consultation with stakeholders

➢ Attracts socially excluded people

➢ Fit within the priorities for the sport chosen and identified by the sport’s national governing body

➢ Provides access to local schools

Application Review/Decision Making Process

Each application is scored by the Department of Arts, Sport and Tourism according to how it meets the assessment criteria. The Minister makes the final decision.

The Department of Arts, Sport and Tourism maintains the right to consult with other government departments, local authorities, the Irish Sports Council and national governing bodies of sport, particularly in relation to regional and national projects.

Tourism Capital Investment Program (TCIP)

Purpose

TCIP is a program developed by the Failte Ireland National Tourism Development Authority to help fund the development of international class visitor attractions and activity products.
Objectives:
- To upgrade and renovate 20 existing attractions to best international standards
- To support up to three new attractions
- To develop and restore historical and other major ornamental gardens

Assessment Criteria
- Alignment with The National Development Plan and Failte Ireland’s Tourism Product Strategy
- Must be cost-effective and financially sustainable
- Emphasis on servicing the tourism market
- Project promoters are qualified and experienced
- Return on Investment (ROI) including increased visitors, revenue, employment
- Accessible to the disabled
- Environmentally sustainable
- Support by relevant local authorities or other agencies

Application Review/Decision Making Process
To bring forward reinvestment in existing attractions, Failte Ireland will identify attractions nationwide judged to have the greatest potential for further development. These attractions are invited to bring forward proposals for redevelopment. If the applicant has fulfilled all of the funding criteria, a project summary memo is prepared and circulated to the Capital Investment Assessment Group Committee. The committee reviews and makes recommendations on the applications before forwarding them to the National Tourism Department of Arts, Sport and Tourism for an approval decision.

SOUTH AFRICA

The Critical Infrastructure Program (CIP)

Purpose
To provide incentives for projects that support infrastructure necessary for the establishment of identified private sector investment projects.

Objectives:
- To support the competitiveness for South African industries by lowering business costs and risks
- Create a positive impact on the economy by providing financial support
for physical infrastructures

- Simulate upstream and downstream linkages while taking into account government priorities

**Assessment Criteria**

- Contributes to investment and economic growth
- Contributes to direct employment
- Benefits economically depressed areas
- Contribution to other socio-economic benefits

**Application Review/Decision Making Process**

All projects are viewed by the Department of Trade and Industry and are subjected to the Critical Infrastructure Programme point scoring of the assessment criteria.
Appendix D

Tourism Infrastructure Funding in Other Jurisdictions
FUNDING PROGRAMS

Introduction

This Appendix contains information on capital funding programs provided by federal, provincial and international governments related to the development of tourism-specific infrastructure.

At the federal level is a review of the Canada Economic Development-Quebec Region, Western Economic Diversification, Atlantic Canada Opportunity Agency, FedNor, Cultural Spaces Canada, and the Build Canada Plan.

Nova Scotia, Ontario, Alberta, and British Columbia programs are examined at the provincial level with a review of capital and operating funding programs that include tourism development as an eligible use of funds.

Internationally, programs in five U.S. states (North Dakota, Montana, Illinois, Kansas and New York), as well as Ireland, New Zealand and Australia are presented.
Overview

Funding models used to support tourism capital projects are as unique and varied as the agencies that manage them, but only in the sense of their funding limits and eligibility criteria.

Of the funding programs reviewed all but one (Tourism Cares) is a ministry/department or agency of a government lead program. Half of the programs reviewed target tourism infrastructure projects specifically, the other half include tourism capital projects as an eligible activity.

Almost all of the programs are directed towards non-profit organizations, although many extend the eligibility criteria to include local governments and First Nation/Indian Tribes, and while partnerships with private businesses are encouraged, only 9 of the programs will accept applications for commercial enterprises.

Most of the funding programs reviewed are grant based programs, the exception being programs that are open to private business. In these cases, the program requires either repayment of the loan or the maximum amount of funding available is reduced. Sources of base funding for the programs include allocations from senior level governments, gaming revenues and hotel taxes.

All of the programs have a maximum level of participation whether it is an upset dollar limit or a percentage of eligible costs; most require a leveraging effect.

Eligible costs vary across programs. Many programs do not allow funding to be used for marketing, administrative costs, research, or feasibility studies. A few do consider operating costs as an eligible cost; no program allows funding to be used for debt refinancing.

Surprisingly, only a few programs insist that projects must have a viable business plan, demonstrate the financial feasibility of the project, or prove organizational capacity to make the project a success.
<table>
<thead>
<tr>
<th>Organization</th>
<th>Program</th>
<th>Mandate</th>
<th>Funding</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
</table>
| Canada Economic Development – Quebec Region | Community Diversification Program | ▪ Economic development  
▪ Counseling and financial assistance to SMEs  
▪ Major tourism development projects are eligible | ▪ Total of $67 million over 3 yrs  
▪ Grants to not-for-profit  
▪ May be repayable for private sector | ▪ Projects must directly strengthen economic base, generate measurable economic spin-off, non-recurrent and benefit a number of users |
| Western Economic Diversification Canada | Western Diversification Program  | ▪ Economic development and diversification  
▪ Economic policy  
▪ Includes tourism projects consistent with WED’s strategic priorities | ▪ Grant and contribution programs for not-for-profits  
▪ Max contribution of $10 million  
▪ Up to 50% of capital costs and 75% of other eligible costs; 100% for non-commercial | ▪ Industry, economic development and research organizations  
▪ Provincial and municipal governments  
▪ Link to WED’s strategic priorities |
| Atlantic Canada Opportunity Agency | Business Development Program  | ▪ Economic development and diversification  
▪ Counseling and financial assistance to SMEs  
▪ Tourism projects are eligible | ▪ Interest-free loans to SMEs and not-for-profit  
▪ Financing of up to 50% of capital costs and 75% of soft costs related to start-up / expansion | ▪ Most commercial and not-for-profit organizations  
▪ Range of activities related to capital investment and business start-up/expansion |
| Department of Canadian Heritage | Cultural Spaces Canada Program  | ▪ Increase and improve access for Canadians to performing arts  
▪ Support renovation/construction of arts and heritage facilities | ▪ Interest-free loans to SMEs and not-for-profit  
▪ Support up to 33% of eligible project costs and up to 40% of project costs for specialized equipment | ▪ Not-for-profit arts / heritage organizations  
▪ Projects presented by Provincial, Municipal, First Nations government  
▪ Applicants must have a clear artistic or heritage focus in their mandate |
| Building Canada Plan | Gas Tax Fund Program  | ▪ Supports environmentally sustainable municipal infrastructure | ▪ $11.8 billion in funding to municipalities  
▪ Allows municipalities to pool, bank or borrow against the funding | ▪ Project categories include: public transit, water and waste water infrastructure, community energy systems, solid waste management and local roads and bridges that enhance sustainability |
| Building Canada Plan | Municipal GST Rebate  | ▪ Supports investment in new infrastructure and infrastructure maintenance | ▪ $5.8 billion in funding to municipalities  
▪ Reimbursement of 100% of municipal GST contributions | ▪ Municipalities |
| Building Canada Plan | Building Canada Fund  | ▪ Public infrastructure that will deliver economic, social and environmental benefits | ▪ $8.8 billion in funding over seven years | ▪ Priority categories include: national highway system, water, wastewater, public transit and green energy |
| Building Canada Plan | Public Private Partnerships Fund  | ▪ Expand infrastructure financing alternatives, attract investment and increase expertise in alternative financing | ▪ $1.25 billion in funding over seven years | ▪ Projects that provide an alternative to traditional government infrastructure procurement |
| Building Canada Plan | Gateways and Border Crossings Fund  | ▪ Expand/improve strategic trade corridors linking to international gateways | ▪ $2.1 billion in funding over seven years  
▪ Funding to be cost-shared | ▪ Projects categories include: National Highway System facilities, intermodal connectors/facilities, int’l bridges and tunnels, short-line rail, short-sea shipping and intelligent transportation systems |
| Building Canada Plan | Provincial / Territorial Base Fund  | ▪ Public infrastructure that will deliver economic, environmental and social benefits | ▪ Total of $175 million over 7 years  
▪ $25 million annually to each province over 7 years  
▪ Funding to be cost-shared | ▪ Categories include: national highway system, drinking water, wastewater, public transit and green energy, non-core National Highway System infrastructure and safety-related rehabilitation |
### Table D-2: Provincially Funded Program

<table>
<thead>
<tr>
<th>Organization</th>
<th>Program</th>
<th>Mandate</th>
<th>Funding</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
</table>
| Nova Scotia                      | Tourism Destination Development Program | Develop and enhance tourism attractions, sites and experiences within the province | Grants to private sector and government of up to 50% of eligible costs, with total government funding not exceeding 70% of total costs | Projects include tourism planning, interpretation development, tourism infrastructure and tourism programming  
Eligible applicants include the private sector, not-for-profits and government                                                                                                        |
| Ontario Ministry of Agriculture  | Rural Economic Development Program      | Economic development                                                    | Up to 50% of projects eligible costs for strategic alliances between businesses, community organizations and municipalities | Includes marketing and promotion, training, minor capital projects, professional and consultant fees, business plans  |
| Ontario Trillium Foundation      | Community and Province-Wide Program    | Support the building of healthy and vibrant communities through community-based initiatives that strengthen capacity of organizations in arts and culture, environment, human and social services and sports and recreation | Community program makes grants of up to $375,000 for operating and capital expenses  
Province-wide program makes grants of up to $1.25 million for operating and capital expenses | Charitable organizations and foundations, not-for-profit corporations, First Nations  
Activities having Province-wide or Community impact in arts and culture, environment, human and social services and sports and recreation |
| Ontario Ministry of Culture      | Community Museum Operating Grant        | Strengthen the role of museums in their communities as custodians and interpreters of heritage collections | Grant up to 50% of eligible operating expenses in preceding year for seasonal and up to 100% of eligible expenses in year-round museum | Not-for-profit, municipalities, public library boards and conservation authorities  |
| Northern Ontario Heritage Fund Corporation | Enterprise North Job Creation Program | Foster private sector job creation while supporting critical infrastructure and community development | Provides private sector with financial assistance through repayable loans  
Includes resource-based, cultural, adventure and nature-based tourism | Measured based on FTE creation  
Cannot unfairly compete with existing businesses  
Eligible costs include capital costs to expand existing businesses or create new businesses |
<table>
<thead>
<tr>
<th>Organization</th>
<th>Program</th>
<th>Mandate</th>
<th>Funding</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Ontario Heritage Fund Corporation</td>
<td>Infrastructure and Community Development Program</td>
<td>Encourage partnerships that find effective ways to create jobs and improve economic prospects in Northern Ontario</td>
<td>Assistance includes contributions, forgivable performance loans and repayable loans</td>
<td>• Partnerships and alliances comprising municipalities, private sector businesses and organizations, federal governments and agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grant of up to 50% or $1 million for infrastructure projects and up to 50% or $50,000 for community development</td>
<td>Project must provide new economic benefits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Benefits must have solid, viable business plan identifying technical, managerial and financial capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Economic Development and Trade</td>
<td>Eastern Ontario Development Fund</td>
<td>Attract investment and support job creation in Eastern Ontario</td>
<td>Total fund size of $80 million over four years</td>
<td>Business Stream projects include new investment, upgrades and expansions, new products/services and retention of projects.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maximum of $1.5 million per project</td>
<td>Regional/Sectoral Stream includes business attraction/retention projects, market research and feasibility and implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grant of up to 15% for businesses investing $500,000 or more and up to 50% of for agencies and NGOs</td>
<td></td>
</tr>
<tr>
<td>Rural Alberta</td>
<td>Development Fund</td>
<td>Invest in projects that stimulate economic growth and address rural challenges and opportunities</td>
<td>Total fund size of $100 million</td>
<td>Demonstrate how the project supports the community and involve the community in its implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Minimum contribution of $50,000, maximum of $5 million</td>
<td>Eligible to community organizations, not-for-profits, First Nations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Up to 75% of total project cost</td>
<td></td>
</tr>
<tr>
<td>Rural Alberta</td>
<td>Major Community Facilities Program</td>
<td>Assist municipalities and non-profit organizations in planning, enhancing and/or expanding indoor/outdoor community facilities</td>
<td>Grants to municipalities to build, purchase, repair or upgrade sports, recreational, cultural or other community facilities</td>
<td>Requires Business Case, approval from the Minister (of Tourism, Parks, Recreation and Culture)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Up to $10 million per project, up to 50% of project costs for funding up to $500,000 or 33% for funding $500,000</td>
<td>Eligible to municipalities, First Nations and community non-for-profit groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Must be a public facility</td>
</tr>
<tr>
<td>British Columbia</td>
<td>Major Capital Project Grant</td>
<td>Assist not-for-profit organizations by funding capital projects that enhance an existing eligible program that provides an immediate and direct community benefit</td>
<td>Grant of up to 50% of total project cost, not exceeding $100,000</td>
<td>Federally or provincially incorporated not-for-profit organizations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Projects must enhance an existing program that provides direct community benefit, be eligible to the public, have a total cost of over $20,000, and provide evidence of viability</td>
</tr>
<tr>
<td>British Columbia</td>
<td>Community Tourism Program</td>
<td>Build stronger local economies by increasing tourism activity</td>
<td>Total fund size of $25 million</td>
<td>Eligible projects include development of tourism plans, implementing of initiatives, development of marketing material, visitor centre renovations, creation of festivals/events and capital projects related to tourism promotion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grants to local government for up to 100% of the total program costs</td>
<td></td>
</tr>
</tbody>
</table>
### Table D-3: U.S. & International Funding Programs

<table>
<thead>
<tr>
<th>Organization</th>
<th>Program</th>
<th>Mandate</th>
<th>Funding</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Dakota Department of Commerce</td>
<td>North Dakota Tourism Infrastructure and Expansion Grant</td>
<td>Support new or expanding tourism or recreation facilities through infrastructure projects</td>
<td>Grants of $5,000 to $24,000 per year to not-for-profits, Matching of 2:1 (one dollar from the applicant for every two dollars of grant money), For capital costs related to buildings and equipment only</td>
<td>Attractions capable of attracting a visitor 50 miles away and retain the visitor for at least three hours, Priority to projects that leverage funding from various sources, Higher scores for projects that retain visitors based on cultural, historical or interpretive significance, Must have not-for-profit status</td>
</tr>
<tr>
<td>Travel Montana (Montana Department of Commerce)</td>
<td>Montana Tourism Infrastructure Investment Program</td>
<td>Provide grant funding to facilitate the development of new tourism-related products, and the enhancement of existing products to encourage visitors to stay longer</td>
<td>Minimum grant of $20,000 per year, Matching of 2:1 (one dollar from the project sponsor for every two dollars of grant money) in the form of monetary investment</td>
<td>Includes project construction costs, costs associated with purchasing new and/or existing tourism and recreation attractions, sites and artifacts, and equipment for a specific tourism project operation</td>
</tr>
<tr>
<td>Illinois Tourism</td>
<td>Tourism Attraction Development Grant Program</td>
<td>Assist in funding the development of projects that increase the economic impact of tourism throughout the State</td>
<td>Maximum grant of $1 million, Must be leveraged with at least 50% of the eligible project expenditures from other sources (i.e., matching of 1:1)</td>
<td>Eligible to counties, municipalities, not-for-profits, local promotion groups and for-profit businesses, May be used for improving an existing attraction or developing a new attraction, including all capital costs and creation of interpretive programs</td>
</tr>
<tr>
<td>Kansas Tourism Division</td>
<td>Attraction Development Grant Program</td>
<td>Assist the development of a critical mass of sustainable, market-driven travel experiences within the state</td>
<td>Grant reimburses up to 40% of the amount of actual expenditures, not to exceed $45,000 for not-for-profit and government or $15,000 for for-profit, Must be leveraged with at least 60% of the project cost, 50% may be in-kind contributions</td>
<td>Eligible to not-for-profit organizations, government agencies and for-profit businesses, Eligible projects include strategic plans, technology-interactive exhibits and websites, out-of-state marketing, purchase/creation of a new exhibit, purchase of land, and construction/renovations.</td>
</tr>
<tr>
<td>Tompkins County Area Development (New York)</td>
<td>Capital Grant Program</td>
<td>Fund investments in capital projects that will facilitate tourism for a minimum of five years</td>
<td>$25,000+ grant for construction, expansion and renovation projects, up to 33% of eligible costs, Grants may fund up to 100% of a feasibility study for a tourism capital project</td>
<td>Eligible to large, tourist-generating not-for-profit or public-purpose projects, Eligible projects include acquisition of land, construction of buildings, permanent exhibitions and furnishings and other capital improvements, Must demonstrate financial feasibility, organizational capacity to make the project a success, likelihood of improved visitor experience and/or increasing length of stay</td>
</tr>
<tr>
<td>Tourism Cares</td>
<td>Worldwide Grant Program</td>
<td>Preserving the travel experience for future generations through awarding grants to natural, cultural and historic sites worldwide and other initiatives</td>
<td>Typical grants of $10,000, but can be up to $100,000</td>
<td>Eligible to capital improvements that protect, restore or conserve sites of exceptional cultural, historic or natural significance, Priority to organizations with projects or programs that use grants as leverage, are endorsed by local/regional tourism office and demonstrate strong support from local community</td>
</tr>
<tr>
<td>Organization</td>
<td>Program</td>
<td>Mandate</td>
<td>Funding</td>
<td>Eligibility Criteria</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Tourism Facilities Development Grant Program</td>
<td>To enhance the understanding and enjoyment of New Zealand by overseas visitors</td>
<td>No standard amount. Rarely fully funded. Applicants must outline all sources of funding.</td>
<td>Eligible projects must provide or improve a nationally significant tourist facility that will enhance the understanding of New Zealand, demonstrate clear public benefits, and not compete directly with an existing commercial venture.</td>
</tr>
<tr>
<td>South Australian Tourism Commission</td>
<td>South Australia Tourism Development Fund</td>
<td>Provide funding for tourism infrastructure projects that address gaps and add to the tourism product available in key areas of the state.</td>
<td>Grants up to $50,000 for tourism infrastructure projects that address gaps and add to the tourism product. Applicants expected to contribute significantly from other sources</td>
<td>Must demonstrate an ability to increase visitation to the region or provide economic benefits, or enhance the experience of the visitor and contribute to the State’s key brand attributes and marketing themes. Mainly local government and not-for-profit, but will consider private enterprise. Eligible for tourist attractions, development programs for strategic tourism areas, interpretive signage, infrastructure associated with accommodate developments.</td>
</tr>
<tr>
<td>AusIndustry (Government of Australia)</td>
<td>Australian Tourism Development Program</td>
<td>Offers merit-based grants for Tourism and Tourism Investment Proposal Projects; and Integrated Tourism Development Projects</td>
<td>Up to $100,000 for tourism investment projects with 1:1 matching, or up to $500,000 for integrated tourism development projects</td>
<td>For tourism investment projects: eligible to private sector, not-for-profits, tourism development organizations and local government. Integrated tourism projects eligible for not-for-profit, tourism development organizations and local government.</td>
</tr>
<tr>
<td>Government of South Australia Office for Recreation and Sport</td>
<td>Community Sporting and Recreation Facilities Fund</td>
<td>Support the creation of sustainable infrastructure for sport and recreation</td>
<td>Annual grants for simple projects of $2,599 to $100,000; for projects valued at $7,500 to $300,000; Forward Planning Grants for more complex projects over $300,000 in value of $100,001 to $1.8 million</td>
<td>Eligible applicants include government authority or not-for-profit sport, recreation or community organization.</td>
</tr>
<tr>
<td>Government of Western Australia Department of Local Government and Regional Development</td>
<td>Regional Infrastructure Funding Program</td>
<td>Encourage, promote and support sustainable development in Western Australia</td>
<td>Grants or loan/interest loans of $100,000 to $5 million per project</td>
<td>Eligible capital works projects include tourism development (interpretive/discovery centre), transport enhancement, information and technology enhancement, recycling projects, employee housing, recreational/arts/cultural facilities. Eligible applicants include local government, agencies, volunteer organizations, not-for-profits, aboriginal corporations, community organizations.</td>
</tr>
<tr>
<td>Failte Ireland National Tourism Development Authority</td>
<td>Tourism Capital Investment Program</td>
<td>Fund the development of international class visitor attractions and activity products</td>
<td>€50 million total funding for upgrading/renovating 20 million existing attractions, with max grant of €5 per project. €14 million total funding to support 3 new attractions, with max grant of €5-12 million per project and donor matching. €6 million total funding for development and restoration of ornamental gardens</td>
<td>Eligible private sector projects include water sports centres and boat rentals, outdoor activity centres, learning/resource facilities and angling. Eligible applicants include private sector, public sector bodies and companies operating facilities on behalf of public sector and volunteer organizations. SMEs qualify for higher rates of grant aid.</td>
</tr>
</tbody>
</table>
CANADA ECONOMIC DEVELOPMENT – QUEBEC REGION

Community Diversification Program

Purpose

The Economic Development Agency of Canada for the Region of Quebec is responsible for promoting the long-term economic development of Quebec. The Agency helps Quebec’s Small and Medium Enterprises directly by providing counseling services and financial assistance.

CED is currently reviewing their major economic and tourism facilities funding policies. One major change already in place is that all projects must be approved by the Minister.

The Community Diversification Program—Major Tourism Development Projects comprises two facets:

1. Projects to develop Ports of call for international cruise ships by providing for the berthing of international cruise vessels or the operation of tourist attractions likely to raise tourism activity in the port of call and

2. Major tourism projects, which target the development of large-scale tourist attractions that could serve as a growth driver for the regional economy.

The purpose of the program is to increase a community’s capability to attract tourists.

Funding Limits

The budget for this initiative is $67 million over three years or until the funds are depleted.

Funding awarded by CED under this initiative must not be a substitute for other federal programs, including those offered by Infrastructure Canada, Transport Canada or Canadian Heritage. The contribution must have a leveraging effect and a direct economic impact on the region. The contribution may be repayable for commercial enterprises and is non-repayable for non-profit organizations.

Eligibility Criteria

The program is limited to municipalities and municipal organizations, tourism associations, Canadian port authorities, small and medium-sized enterprises and non-profit organizations located in the seven designated regions that are facing major challenges with respect to revitalization.

Eligible projects target the construction or upgrading of major economic and
tourism facilities that meet the following criteria:

- Directly help strengthen the economic base;
- Generate measurable direct economic spinoffs;
- Enhance the tourism attraction potential;
- Not be recurrent in nature;
- Benefit a number of users.

Funding must not be used to pay for operating expenses and facilities maintenance.

Eligible projects include: enlarging a ferry wharf; extending an airport runway; developing a railway section; telecommunications infrastructure; feasibility studies, economic impact studies or development plans for a new or existing port of call for international cruise ships; and developing products and attractions.

WESTERN ECONOMIC DIVERSIFICATION CANADA

Western Diversification Program

Purpose

Western Economic Diversification Canada's (WD) mandate is to promote the development and diversification of the economy of Western Canada and advance the interests of the West in national economic policy. This mandate is delivered primarily through grant and contribution programs and is achieved through collaboration with the private sector, other levels of government, academic and financial institutions, as well as research centres.

WD will consider supporting tourism projects when it is clearly demonstrated that the project links to WD’s strategic priorities and meets one or more of the following conditions:

- Rural economic growth and diversification;
- International tourism;
- Strategic infrastructure.

Projects that address product development, tourism marketing and to a lesser extent, human resources are consistent with WD’s strategic priorities. Projects that warrant consideration must be consistent with the federal government’s National Tourism Strategy and priority is given to pan-western
and multi-regional projects.

WD will not generally support: museums and cultural infrastructure, cultural events, recreational centres, zoos and sporting infrastructure and events.

Western Economic Diversification has over the past few years increasingly limited its involvement in tourism. WD’s rationale for doing this is: all four western provinces are active in tourism marketing, product development and infrastructure; three of the four provinces have provincial tourism levies (hotel taxes); and there are other organizations including several federal departments that already support tourism.

The aim of the Western Diversification Program is to facilitate innovation, promote a competitive and expanded business sector and increase community economic development. Increasingly, the program is used to partner with other levels of government to create sub-programs or agreements designed to respond to economic priorities in Western Canada.

**Funding Limits**

The maximum contribution per project is $10 million without approval of Treasury Board. The maximum level of total government assistance allowed is 50 per cent of eligible capitals costs and 75 per cent of other eligible costs for commercial projects and 100 per cent of all eligible costs for non-commercial projects.

Tourism funding awarded by WD under this program must support economic development and diversification, not social or cultural development, achieve lasting incremental benefits for the western economy by increasing international and non-westen visitations, and emphasize diversification of the tourism sector. Projects that focus on local or provincial tourism development are not eligible.

**Eligibility Criteria**

Funding is normally only provided to not-for-profit organizations and may include:

- Industry associations, community/economic development organizations & research organizations;
- Indian bands, as represented by their Chief and Council;
- Provincial or municipal governments, agencies, and crown corporations.

Incremental operating and capital costs that are incurred by the recipient and are required to achieve the desired outcomes are eligible for consideration and may include: operations and maintenance, personnel & professional consultation costs; purchases, leases and acquisitions of equipment, supplies,
or proprietary process; information management and information technology acquisitions; capital improvements related to the project; and other costs specified in the project agreement that are reasonable, incremental, and directly attributable to activities necessary to achieve the desired results.

Atlantic Canada Opportunity Agency

Business Development Program

Purpose

The Atlantic Canada Opportunities Agency (ACOA) is a branch of the federal government that strives to improve and strengthen the economies of Atlantic Canadian communities through development of businesses and job opportunities.

The Business Development Program (BDP) is designed to help set up, expand or modernize a business. The program focuses on small- and medium-sized enterprises and offers access to capital in the form of interest-free, unsecured, repayable contributions.

ACOA has no tourism specific funding programs, but supports tourism infrastructure projects as an eligible activity under the Business Development Program.

New hotel rooms are not an eligible project as there is excess capacity, however, reinvestment for maintenance and renovation on existing rooms will be considered.

ACOA’s tourism branch Tourism Atlantic, is currently developing new policies that would include new funding programs catered specifically for tourism on the east coast. These policies are still in the approval process and will be release to the public nearing the end of the Fall 2008. Further details on these new policies are not available due to concerns related to October 14, 2008 Federal Elections.

Funding Limits

Costs eligible for up to 50 per cent financing include:

- Construction or acquisition of a building;
- Machinery and equipment needed for the project;
- Working capital related to an establishment or expansion project;
- Site improvements such as land clearing and paving;
- Leasehold improvements required for the project;
- Leased equipment and conditional sales contracts;
Infrastructure such as sewer and water;
Self-built assets;
Intangible assets such as patents, trademarks and licenses;
Start-up costs such as insurance and interest capitalized during construction.

Costs eligible for up to 75 per cent financing include:

- Marketing
- Training
- Productivity/Quality Improvement
- Innovations
- Consultant Advice
- Contract bidding
- Business proposal development
- Business Support

**Eligibility Criteria**

Most business sectors are eligible except retail/wholesale, real estate, government services, and services of a personal or social nature. Both commercial and not-for-profit applicants are eligible.

Eligible activities include business studies, capital investment, training, marketing, quality assurance, and not-for-profit activities that support business in the region.

**CULTURAL SPACES CANADA**

**Purpose**

Cultural Spaces Canada (CSC) is a program of the Department of Canadian Heritage that contributes to improve physical conditions for artistic creativity, presentation and exhibition. It is designed to increase and improve access for Canadians to performing arts, visual arts, media arts, and to museum collections, heritage displays and exhibitions. CSC supports the renovation and expansion/construction of arts and heritage facilities, and the acquisition of specialized equipment as well as preparation of feasibility studies for cultural infrastructure projects.

The program goals are to:
Increase the number of cultural facilities and improved infrastructures;

Improve the quality and standards of cultural facilities and infrastructures;

Enhance the effectiveness of the operations of funded organizations.

During fiscal years 2008-2009 and 2009-2010, the CSC will give priority to renovation, expansion and specialized equipment projects. Construction of facilities for new organizations and feasibility studies are not a priority.

**Funding Limits**

Generally, the program offers support of up to 33 per cent of eligible project costs for expansion/construction or renovation, and up to 40 per cent of eligible project costs for specialized equipment purchases or feasibility studies.

Under exceptional circumstances, the program may consider increased levels of support towards eligible project costs. Exceptional circumstances are determined by the Department of Canadian Heritage and may include projects occurring in rural or remote areas, or in underserved populations such as Aboriginal, youth, official language minority and culturally diverse communities.

**Eligibility Criteria**

The program is limited to: non-profit arts and heritage organizations and provincial/territorial, municipal or regional governments and their agencies, or equivalent Aboriginal institutions or organizations. Applicants must have a clear artistic or heritage focus in their vision or mandate that is reflected in their by-laws and other governance documents.

Federal organizations and federal Crown corporations are not eligible for funding.

For renovation, expansion/construction, or specialized equipment projects, applicants must demonstrate that their organization has been active for at least two years and must provide audited financial statements or review engagement documents.

Eligible projects include those associated with renovation, expansion/construction, specialized equipment purchases or feasibility studies related to buildings for arts and heritage activities that are delivered in a professional manner. The program will not support regular or routine building maintenance or historical building renovations that are not directly linked to professional arts or heritage programming.

Eligible costs include: fees and professional honoraria; acquisition of
property; capital for expanding, constructing or renovating a building (including materials, demolition, excavation, and labour); feasibility studies and administrative costs including interest on short term financing. Costs related to “green” construction and environmentally sound building practices are also eligible.

BUILDING CANADA PLAN

Purpose

Building Canada is a federal investment plan that will contribute $33 billion over seven years towards public infrastructure. The Plan’s vision is to create a stronger, safer and better Canada built upon a foundation of modern, world-class public infrastructure, focused on national goals for a stronger economy, a cleaner environment and better communities.

Funding available through the Building Canada Plan includes:

- Municipal GST Rebate - $5.8 billion
- Gas Tax Fund - $11.8 billion
- Building Canada Fund - $8.8 billion
- Public-Private Partnerships Fund - $1.25 billion
- Gateways and Border Crossing Fund - $2.1 billion
- Asia-Pacific Gateway and Corridor Initiative - $1.0 billion
- Provincial Territorial Base Funding - $2.275 billion

Gas Tax Fund

Budget 2007 extended the Gas Tax Fund (GTF) from 2010 to 2014 at $2 billion per year. As a result, over the next seven years, municipalities will receive $11.8 billion through this mechanism. Municipalities can pool, bank and borrow against this funding.

The GTF supports environmentally sustainable municipal infrastructure that contributes to cleaner air, cleaner water and reduced GHG emissions. Eligible categories of investment include public transit, water and wastewater infrastructure, community energy systems, the management of solid waste, and local roads and bridges that enhance sustainability outcomes.

Municipal GST Rebate

Under the Municipal GST Rebate, municipalities will be reimbursed for 100% of their GST contributions. The GST Rebate will provide communities with over $5.8 billion in funding to address their highest priorities, from new
infrastructure assets to the maintenance and operation of existing public infrastructure and facilities.

**Building Canada Fund**

The *Building Canada Fund* (BCF) will total $8.8 billion over seven years. The BCF will focus on projects that deliver economic, environmental, and social benefits to Canadians. The priority funding categories for the fund will be core national highway system routes, drinking water, wastewater, public transit and green energy.

Other eligible investment priority areas include environmental projects, projects that support economic growth and development (short-line rail and short-sea shipping, connectivity and broadband, tourism and regional and local airports), as well as projects that contribute to the ongoing development of safe and strong communities (disaster mitigation, culture, sport, local roads and bridges, and brownfield redevelopment). Funding can be used to support public infrastructure owned by provincial, territorial and municipal governments and entities, and in certain cases private industry.

Funding will be allocated for projects in the various provinces and territories based on their population (as of the 2006 Census). The program will operate through two components: the Major Infrastructure Component (MIC) and the Communities Component.

All projects will be cost shared, with the maximum federal contribution to any single project being 50 per cent. Municipal infrastructure projects will be cost-shared on a one-third basis and for projects where the asset is owned by a private entity, the maximum federal contribution will be 25 per cent.

The MIC will target larger, strategic projects of national and regional significance. Under the MIC two-thirds of funding, on a national basis, will be directed to the above-mentioned National Priorities. Projects under the MIC will be selected on the basis of merit through a federal-provincial/territorial negotiation process and all projects will be required to meet criteria targeting environmental, economic and quality of life objectives—regardless of the category. Innovative technologies and partnerships will also be emphasized.

The Communities Component is focused on projects in communities with populations of less than 100,000. Projects will be selected through an application-based process and will be evaluated on the extent to which they meet environmental, economic and quality of life objectives.
Public Private Partnerships Fund

The $1.25 billion Public Private Partnerships Fund will support innovative projects that provide an alternative to traditional government infrastructure procurement. The purpose of the P3 Fund is to expand infrastructure financing alternatives in Canada, provide incentives to attract investments from the private sector, and increase knowledge and expertise in alternative financing.

Gateways and Border Crossings Fund

The Gateways and Border Crossings Fund is $2.1 billion fund that will focus on strategic trade corridors linking to international gateways. Eligible projects will include core National Highway System (NHS) facilities impacted by increased trade flows, inter-modal connectors and facilities, international bridges and tunnels, rail/road grade separations, short-line rail, short-sea shipping and intelligent transportation systems. At least $400 million from this fund will be devoted to the construction of an access road for the new Windsor-Detroit crossing—the busiest border point for Canada-United States trade.

Projects will be assessed on the basis of merit. Federal funding will be cost-shared to generate additional investment in this critical infrastructure.

Provincial Territorial Base Fund

The Provincial Territorial Base funding will provide $25 million annually to each province and territory over seven years, for a total of $175 million for each jurisdiction. This funding will support all of the categories noted under the Building Canada Fund (BCF), as well as non-core National Highway System infrastructure and the safety-related rehabilitation of infrastructure in all BCF eligible categories.

Federal funding will be cost-shared with provinces and territories to maximize investment by all orders of government, but, similar to the GTF, federal funding will be provided up-front and on a regular basis, and does not have to be utilized in the year in which it was provided.
Eastern Ontario Development Program

Purpose

The Eastern Ontario Development Program (EODP) is an economic development initiative aimed at addressing socio-economic challenges in rural Eastern Ontario.

The EODP is managed by FedNor, the regional economic development organization responsible for the Community Futures Program in rural Ontario, and provides resources to Community Futures Development Corporations (CFDCs) which invest in projects within five key economic development priorities:

- Business and community development;
- Access to capital;
- Skills development;
- Retention and attraction of youth; and
- Technological enhancements.

Funding Limits

Funding and support of the EODP is delivered via the Community Futures Development Corporations (CFDCs) located throughout Eastern Ontario, as well as the Eastern Ontario CFDCs Network Inc. Program funding of the EODP is $9.6 million; the program expires March 31, 2009.

Eligibility Criteria

Organizations, entrepreneurs and small-to-medium size businesses located within the boundaries of the 15 rural Eastern Ontario Community Futures Development Corporations may submit applications. Target groups include:

- Entrepreneurs;
- Small-to-medium business owners;
- Export firms;
- Municipalities;
- Local economic development organizations;
- Third party organizations that provide services to the above.

Eligible activities are those that contribute to achieving EODP objectives by:
Supporting regionally-based initiatives which stimulate business and community development opportunities;

Promoting socio-economic development leading to a competitive and diversified regional economy;

Contributing to the successful development of business / job opportunities and sustainable self-reliant communities;

Demonstrating broad support from the region; and

Offering sustainable plus measurable economic benefits to the regional economy.

Northern Ontario Development Program

Purpose

The Northern Ontario Development Program is designed to promote economic growth, diversification, job creation and sustainable communities in Northern Ontario. FedNor’s efforts to meet this mandate focus on six program components that make up the program framework: Innovation; Information and Communications Technology (ICT); Community Economic Development; Business Financing Support; Trade and Tourism; and Human Capital.

Funding Limits

The overall fund is $35.8 million for 2007-2008. FedNor’s contribution to projects eligible for funding will not normally exceed 50 per cent of eligible costs to a maximum of $500,000. The maximum contribution amount does however have flexibility from project to project.

Eligible costs are ones that are deemed reasonable, incremental and relate directly to the eligible activities and include:

- Labour costs
- Operating costs
- Materials
- Capital costs
- Consultant cost
- Travel cost
- Research and Development
- Administrative expenses
Eligibility Criteria

Eligible applicants include

- Non-profit organizations;
- Small and medium enterprises;
- First Nations organizations;
- Community economic development corporations.

The eligible area stretches from Muskoka to James Bay and from the Manitoba Border to the Quebec Border.

NOVA SCOTIA

Tourism Destination Development Program

Purpose

Nova Scotia’s Tourism Destination Development Program is designed to help develop and enhance tourism attractions, sites and experiences within the province. The main focus is to create strong and competitive tourism products.

Funding Limits

The Tourism Development Program will fund up to 50 per cent of eligible costs with the balance coming from the applicant or other potential sources. Total government funding for any project cannot exceed 70 per cent of total cost. Applicants are required to secure at least 30 per cent of total eligible costs of which no more than 50 per cent of the applicant’s contribution can be “in kind” contributions.

Eligibility Criteria

Eligible projects include the following:

- Tourism Planning;
- Interpretation Development;
- Tourism Infrastructure;
- Tourism Programming.

Eligible applicants include organizations from the private sectors as well as non-commercial/not for profits, municipalities and provincial government departments.

Eligible costs include planning, design, capital and interpretation. Ineligible costs include land acquisition, equipment for construction, operating costs,
marketing, maintenance administration and project management costs.

ONTARIO

Rural Economic Development Program

Purpose

The Ontario Ministry of Agriculture, Food and Rural Affair’s Rural Economic Development (RED) Program is a community development initiative that helps rural communities to remove barriers to community development and economic growth.

The objectives of the RED Program are to create diversified business climates in rural Ontario; the creation and retention of jobs; a strategic and coordinated local/regional approach for economic development; the creation of alliances and partnerships; and the development of information, tools and resources to enhance economic development.

Funding Limits

Projects are cost-shared with the provincial government investing up to 50 per cent of project’s eligible costs. Under special circumstances funding may be available for up to 90 per cent of eligible project costs. In-kind contributions are not eligible for cost sharing.

Eligibility Criteria

Eligible applicants include strategic alliances between individuals, businesses, community organizations (including not-for-profit) and municipalities.

Eligible costs include: marketing and promotional materials, specialized training, consultant fees, professional (engineering, architectural) fees, minor capital, feasibility and business plans, communication technology and bank fees. Ineligible costs include major infrastructure, direct wages, and operation costs.

Community and Province-Wide Program

Purpose

The Ontario Trillium Foundation distributes its funding to charities and not-for-profits through two granting programs—Community and Province-Wide. Within those programs, funding is allocated in four sectors: Arts and Culture, Environment, Sports and Recreation, and Human and Social Services.

The Community Program is for activities that take place in one catchment area and have a local impact in one or more communities within that catchment area.
The Province-Wide Program is for activities that have a province-wide impact. At a minimum, the work must take place in three catchment areas or two catchment areas in the North.

The Community and Province-Wide programs support the building of healthy and vibrant communities through community-based initiatives that strengthen the capacity of organizations in the arts and culture, environment, human and social services and sports and recreation sectors.

**Funding Limits**

Through the Community Program, the Foundation makes grants of up to $375,000 over five years. This can include up to $75,000 per year for operating or project expenses and up to $150,000 over one or more years for capital initiatives such as building renovations and/or equipment purchases.

The Province-Wide Program makes grants of up to $1.25 million over five years. This can include up to $250,000 per year for five years for operating and project expenses and up to $150,000 over one or more years for capital initiatives.

**Eligibly Criteria**

The following organizations may apply for either the Community Program or the Province-Wide Program:

- Charitable organizations or foundations;
- Not-for-profit corporations;
- First Nations;
- Métis or other Aboriginal community.

In addition, small municipalities and Local Service Boards may apply for the Community Program grants in the arts and culture and sport and recreation sectors only.

---

**Community Museum Operating Grant**

**Purpose**

Since 1953 the Ontario Ministry of Culture has provided financial support to community museums through operating grants based on expenditures as an incentive to promote activity and generate revenue.

The purpose of the Community Museum Operating Grant (CMOG) is to strengthen the role of museums in their communities as custodians and interpreters of the province's irreplaceable heritage collections.
### Funding Limits

For a seasonal museum, the grant is equal to the lesser of 50 per cent of the eligible operating expenses incurred by the applicant in the preceding calendar year; or the most recent grant that the applicant received multiplied by a factor determined by the Minister.

For a year round museum, the grant is equal to the lesser of the eligible operating expenses incurred by the applicant in the preceding calendar year multiplied by the percentage set out by the Minister or the most recent grant that the applicant received multiplied by a factor determined by the Minister.

### Eligibility Criteria

The program is restricted to non-profit corporations, municipalities, public library boards and conservation authorities that operate a seasonal or year round museum that meets the minimum standards set out in "Standards for Community Museums in Ontario".

### Enterprises North Job Creation Program

#### Purpose

The Northern Ontario Heritage Fund Corporation (NOHFC) works with northern entrepreneurs and businesses to foster private sector job creation while supporting critical infrastructure and community development projects.

The purpose of the Enterprise North Job Creation Program is to provide the private sector with financial assistance in support of initiatives that brings new jobs and economic benefits to Northern Ontario.

Consideration for funding is based on the creation of full time equivalent job(s) in Northern Ontario. The proposed project cannot unfairly compete with other Northern Ontario businesses and should result in net economic benefits for Northern Ontario.

#### Funding Limits

Funding assistance is in the form of repayable loans. Projects normally receive funding based on the number of full time equivalent jobs created in Northern Ontario.

The maximum contribution from the NOHFC to any one project generally does not exceed 50 per cent of eligible capital costs up to $1 million. Other projects proposed by individual businesses which, in the opinion of the NOHFC Board, are deemed necessary to further a goal in Northern Ontario may be considered for approval on a case-by-case basis.

#### Eligibility Criteria

The program is open to business activities that will result in an economic advantage for Northern Ontario including resource-based, cultural, adventure
APPENDIX D

Examples of eligible costs include: capital construction costs related to the expansion of existing or the creation of new businesses that result in job creation in the North; leasehold improvements; purchase of new or used equipment machinery; intellectual capital and other capital investments by an enterprise that result in job creation in Northern Ontario.

Infrastructure and Community Development Program

Purpose
This NOHFC funding program was designed to encourage partnerships that find effective ways to create jobs and improve economic prospects in Northern Ontario through improvements to infrastructure.

Funding Limits
Assistance available under this program includes conditional contributions, forgivable performance loans, and repayable loans.

For infrastructure projects, the amount of NOHFC assistance will generally not exceed the lesser of 50 per cent or $1 million. For community development projects, the amount of NOHFC assistance will generally not exceed the lesser of 50 per cent or $50,000. The amount and type of assistance will be determined by the NOHFC Board taking into account such factors as the significance of the project, the financial capability of the applicant(s) and adherence to program guidelines.

In exceptional circumstances, the Board may consider projects exceeding the normal levels of assistance on a case-by-case basis.

NOHFC funding is not intended to replace other government programs. Where a project is considered the direct responsibility of a federal or provincial department, ministry or agency, funding will not be provided, except possibly as additional assistance once approval is given by the lead agency.

Eligibility Criteria
Eligible applicants include partnerships and alliances comprising municipalities, private sector businesses and organizations, federal government agencies. Municipalities, First Nations, not-for-profit corporations and educational institutions may apply individually.

Applications require support by a municipal council resolution, a band council resolution, a local services board bylaw or other supporting documentation. Applications are assessed based factors as to the significance of the project—number of jobs to be created, services provided—financial capacity of the applicant, ability of the applicant to operate and maintain the
completed project and consistency with a community planning process such as business retention and expansion or the Investment Readiness Test.

The project must provide new economic benefits. Projects which shift economic benefit from one part of the North to another will not be considered.

All projects must have a solid, viable business plan identifying the technical, managerial and financial capacity. NOHFC investment must be necessary to make the project viable, and ongoing initiatives must demonstrate self-sustainability.

**Eastern Ontario Development Fund**

**Purpose**

The aim of the Ministry of Economic Development and Trade’s Eastern Ontario Development Fund is to attract investment and support job creation in eastern Ontario. Specifically, the Fund will provide financial assistance to promote the retention, expansion and attraction of investment/business in Eastern Ontario through support for capital spending, skills development, infrastructure needs and other similar economic development initiatives.

The objectives of EODF funding are to:

- Create and retain jobs in Eastern Ontario;
- Stimulate private sector investment in business enterprises in Eastern Ontario;
- Assist communities, the region and economic sectors in improving their competitive position or pursue growth;
- Contribute to the diversification of the economy of Eastern Ontario.

The Eastern Ontario Development Fund is administered in two funding streams—Businesses and Regional/Sector Development.

**Funding Limits**

The fund will provide $80 million over four years. Businesses that invest $500,000 or more in projects that create or retain at least 10 jobs over five years are eligible for up to 15 per cent support. Agencies, associations and NGOs leading local economic development work can qualify for 50 per cent support for projects valued at $100,000 or more.

EODF funding is discretionary, non-entitlement program providing project-based conditional grants to a maximum of $1.5 million per approved project.

Under the Business Stream applicants are expected to contribute at least 50
per cent of the total project costs; of the remaining 50 per cent, 35 per cent can come from other public sector funding sources. Applicants to the Regional/Sectoral Stream are expected to contribute 34 per cent of the total project costs, the remaining 16 per cent coming from any combination of funding sources.

**Eligibility Criteria**

For the EODF Business Stream eligible applicants must:

- Be a for profit business;
- Be located in eastern Ontario;
- Employ at least 10 employees.

For the EODF Region/Sectoral Stream eligible applicants must be one of the following:

- An incorporated industry/sector association;
- An incorporated non-governmental organization;
- A municipality;
- Other incorporated organizations that have a mandate including aspects of economic development.

Eligible businesses and organizations include manufacturing, processing, tourism, business services, cultural industries, and technology.

Eligible projects for funding include:

**Business Stream**

- New investment;
- Upgrades to existing operations;
- Business expansions;
- Introduction of new products or services;
- Retention projects that reposition a company.

**Regional/Sectoral Stream**

- Business attraction projects;
- Business retention projects;
Market/sector research projects or feasibility studies;
Implementation of priorities identified in the planning process;
Implementation of provincial priorities.

ALBERTA

Rural Alberta’s Development Fund

Purpose Rural Alberta's Development Fund is a not-for-profit company incorporated in 2006 under Part-9 of the Companies Act (Alberta). It was created to fulfill a commitment by the Government of Alberta to support communities, regional alliances, government departments and not-for-profit organizations in kick starting community-building projects that would contribute to the growth and prosperity of rural Alberta.

The $100 million provided to the Fund by the Government of Alberta is used to invest in projects that stimulate economic growth and address rural challenges and opportunities. The Fund is a key implementation initiative of the province's Rural Development Strategy, released in 2005.

Rural Alberta’s Development Fund seeks to inspire and act as a catalyst for innovative, collaborative, community-led projects which promote the growth, prosperity and quality of life in rural Alberta.

Its purpose is to:

- Promote economic development in rural communities;
- Build community capacity;
- Facilitate opportunities to access health services;
- Expand learning and development opportunities;
- Sustain and enhance the quality of rural Alberta’s environment;
- Provide opportunities for rural youth;
- Engage and support seniors;
- Encourage the participation of Aboriginal people.

Funding Limits The minimum contribution to a project from the Fund is $50,000; the maximum contribution to any individual project cannot exceed $5 million. Project applicants must provide at least 25 per cent of the overall cost of the project—priority is given to proposals where the applicant is paying a higher percentage of the cost.
Projects must be completed before the end of September, 2011. Rural Alberta's Development Fund's objective is to have its $100 million fully committed by the fall of 2009 and the funds fully disbursed by the fall of 2011.

**Eligibility Criteria**

Only projects that contribute to the growth, prosperity or quality of life of rural Alberta are eligible (the Fund defines “rural” as being outside of Calgary and Edmonton). The project must demonstrate how it supports the community and it must involve the community in its implementation. Applicants must be a legal entity, e.g., community, regional organization, not-for-profit organizations, First Nation or Métis Settlements.

Eligible costs include:

- Incremental direct costs of approved projects (indirect or ongoing costs are not eligible);
- Incremental temporary staff costs;
- Travel costs;
- Meeting and administration costs;
- Materials and supplies;
- Professional, consultant or contractor fees and disbursements.

Capital expenditures, with the exception of assets previously owned by the applicant, are eligible for funding if they are essential to the project. Capital construction should be incidental and should not be the main focus of a proposal.

**Major Community Facilities Program**

**Purpose**

The Major Community Facilities Program is intended to supplement grants offered by the Community Facilities Enhancement Program which has a cap of $125,000. The goal of this program is to assist municipalities and non-profit organizations in planning, enhancing and/or expanding indoor and outdoor community use facilities to improve community life and wellbeing.

The program has $140 million to be distributed per year for the fiscal 2007-2008 and 2008-2009. Funding will be generally managed on the basis of one-quarter of the funds to each of rural Alberta, Calgary, the Capital Region and other Cities.
Funding Limits

MCFP will aid in financial assistance to build, purchase, repair, renovate, upgrade or otherwise improve major sports, recreational, cultural or other related family and community wellness facilities. The program will provide assistance for studies that will help organizations assess current market conditions, sustainability and capacity to accommodate change and growth.

Only one MCFP application can be submitted per facility. The applicant can request funding assistance for a planning study, a capital project or a combination of the two. The maximum level of funding for any one facility is $10 million.

Project funding will be based on a review of the application to ensure conformity with program guidelines, including the provision of a Business Case, and signed approval by the Minister of Tourism, Parks, Recreation and Culture (Minister)

Grant Matching Requirements:

- Funding requests up to $500,000 will require equal or greater matching dollars from the applicant. Provincial funding must not exceed 50 per cent of total project costs.
- For funding requests of more than $500,000, the maximum grant is 1/3 of the project cost. The applicant must contribute an amount equal to, or exceeding two-thirds (2/3) of project costs. Provincial funding must not exceed one-third of total project costs.

The matching requirements may be met in the form of any combination of money, volunteer labour, services, donated materials or equipment, all of which must be specifically related to the project.

Time and labour provided towards preparation of funding applications, committee planning meetings (e.g., to discuss facility design), fundraising and similar activities not related directly towards the physical construction of the project are not eligible.

Eligibility Criteria

Municipalities including cities, town, village, municipal district, specialized municipality, summer village or a town under the Parks Towns Act are all eligible to receive funding under the MCFP. First Nations and Métis settlements and community not-for-profit groups who are registered (and in good standing) are also eligible:

No funding under this program will go to facilities that fall within the exclusive domain of the private or commercial sector, or to components of a
facility with restricted or extremely limited public use. Other uses that may not be funded include:

- Endowments, charitable donations, fundraising campaigns;
- Individuals or commercial for-profit businesses;
- School or post-secondary institution projects for academic purposes;
- Licensed vehicles;
- Audio visual projects, preparation of books and manuscripts, research, films, promotional campaigns, and related items;
- Work of art purchase;
- Church sanctuaries;
- Core/essential municipal facilities which are municipal responsibilities (e.g., administration buildings, roads, utilities);
- Other facilities which receive regular budgeted provincial capital support (e.g., hospitals).

BRITISH COLUMBIA

Major Capital Project Grant

Purpose

British Columbia’s government gaming grants allow eligible organizations to apply for gaming revenues to support a broad range of programs and services. The Major Capital Project Grant program applies to capital projects valued at more than $20,000.

Funding Limits

An organization can apply for the same amount of secured funding it has in hand, to a maximum of 50 per cent of the total cost of the project, not exceeding $100,000.

An organization’s contribution must be in the form of restricted cash (including a secured loan) equal to, at minimum, the requested major capital project funding. Remaining funding to complete the project can be in the form of donated person hours, equipment, services, and materials from other sources at a rate pre-determined in the guidelines.

An organization can apply up to three times for a project, if the project is undertaken in phases. However, funding will not be approved for major capital projects that have already begun. The project must be approved before it starts in order to be eligible for a major capital project grant.
Eligibility Criteria

An organization must be federally or provincially incorporated as a non-profit organization if it intends to apply for and use gaming funds for capital acquisitions or capital projects.

Major capital projects include the construction of new facilities, renovation of existing facilities, relocation or maintenance of existing facilities and property development. The project must:

- Enhance an existing eligible program that provides an immediate and direct community benefit;
- Be accessible to the general public;
- Have a total cost which exceeds $20,000; and
- Provide evidence of viability and continued maintenance.

Community Tourism Program

Purpose

The Community Tourism Program was initiated through a $25 million dollar grant given to the UBCM at a 2004 convention. The main purpose of the Community Tourism Program is to build stronger local economies through increasing tourism activity.

Funding Limits

Local governments are eligible to receive 100 per cent of the total program costs to a maximum amount determined by a per-capita funding formula.

75% of the grant money will be issued upon approval of the project and the remaining 25% will be granted after satisfactory completion of the project, final report and financial summary.

Eligibility Criteria

All local governments along with affiliated agencies are eligible for funding. Eligible projects include but are not limited to:

- The development of upgrading of tourism plans;
- The implementation of initiatives identified by tourism planning activities;
- Development or improvement of marketing material;
- Visitor Centre renovations;
- Creation or enhancement of festivals and events;
- Capital projects directly related to tourism promotion.
Operational costs are not included in eligible costs. Cost that are supported under the program include:

- Direct costs for program development and implementation;
- Contractor wages;
- Capital Expenditures;

UNITED STATES

North Dakota Tourism Infrastructure and Expansion Grant

Purpose The North Dakota Department of Commerce’s Tourism Infrastructure and Expansion Grants support new or expanding tourism or recreation facilities or designated development areas through infrastructure projects—each project must involve an attraction capable of attracting a visitor 50 miles (one-way) and retain a visitor in the area for at least three hours.

Funding Limits The grants can range from $5,000-$24,000 in any given year. The required match is 2:1. For every two dollars of grant money being requested, the applicant must provide one dollar. The match must be in cash; in-kind services are not eligible. Money that has been put toward the project in the current and previous fiscal year may be considered as part (up to 75%) of the match.

Grant funds must be spent within 18 months of signing the agreement and a recipient can receive grants from the program for no more than three consecutive years.

Priority is given to projects that: leverage funding from various sources; the Grant funding completes a project rather than “seed money” to start a project; the urgency of the project is clearly demonstrated (i.e., the proposed project, if not completed within the next 18 months, will not happen or the project focuses on urgent repairs and/or stabilization to a recognized cultural, historical, interpretive and/or other tourism-related resource).

Projects that retain visitors based upon cultural, historical, or interpretive significance will be scored higher.

Eligibility Criteria Any organization officially recognized by the IRS as having a non-profit status can apply for the grant. Indian tribes, cities and counties qualify as tourism-related, nonprofit groups for the purposes of applying for these grants.
Funds can only be used for buildings and equipment. They cannot be used for marketing or ongoing operation expenses. Types of usage that are allowed include: project construction costs associated with building new and/or remodeling or preserving existing tourism and recreation attractions, historical sites and artifacts; costs associated with purchasing new and/or existing tourism and recreation attractions, historical sites and artifacts; and equipment purchased for specific tourism project operation or a new major event that will be held to attract new visitors.

Montana Tourism Infrastructure Investment Program

Purpose

Travel Montana is a division of the Montana Department of Commerce. As part of its annual operating budget and utilizing Montana Lodging Facility Use Tax revenues, Travel Montana provides the funding for the Tourism Infrastructure Investment Program (TIIP).

The purpose of the TIIP is to provide grant funding to facilitate the development of new tourism-related products, and the enhancement of existing products to encourage visitors to stay in the state of Montana longer.

Funding Limits

There is no set number of grant awards that may be made in any fiscal year. However, the total dollar amount of the grant award(s) to be made each year may not exceed the total amount of the TIIP funding set by Travel Montana for that specific year.

The minimum grant funding that can be allocated to any one proposed project in any fiscal year is $20,000. The maximum grant funding that can be allocated to any one proposed project will be the maximum of the TIIP funding set for that given fiscal year. A proposed project may receive all, or a portion of the grant funding requested in a specific grant proposal.

The project sponsor must provide a match to the funds available through the TIIP. The required project sponsor match must be a minimum $1.00 for every $2.00 in TIIP monies allocated. The project match must be in the form of a monetary investment (hard match) or money invested in the project during the current fiscal year and the immediate previous fiscal year prior to the application deadline.

Eligibility Criteria

Only non-profit, tourism-related projects are eligible for TIIP funding.

The following types of usage are allowed and encouraged:

- Project construction costs (brick & mortar) associated with building new and/or remodeling or preserving existing tourism and recreation attractions, historical sites and artifacts;
Costs associated with purchasing new and/or existing tourism and recreation attractions, historical sites and artifacts;

Equipment purchased for specific tourism project operation.

TIIP funds cannot be used for:

- Salaries and administrative costs such as rent, utilities, taxes;
- Entertainment, honoraria;
- Travel, food or lodging;
- Marketing, advertising, trade shows;
- Infrastructure such as community roads, sewers, sidewalks, water systems, etc.;
- Routine upkeep and maintenance expenses;
- Market research/feasibility studies.

**Illinois Tourism Attraction Development Program**

**Purpose**

The Tourism Attraction Development Grant Program (TAP) provides grants to counties, municipalities, not-for-profit organizations, local promotion groups, and for-profit businesses for the development or improvement of tourism attractions in Illinois.

The intent of the program is to assist in funding the development of projects that increase the economic impact of tourism throughout the State. Development and improvement of fishing and hunting areas, historical sites, vacation regions, areas of historical or scenic interest, museums, recreation areas or other facilities, which attract or serve travelers are the types of projects targeted by the Tourism Attraction Development Grant Program.

**Funding Limits**

A Tourism Attraction Grant is not designed to cover the entire cost of a project. The maximum grant award is $1,000,000 and must be leveraged with at least 50 percent of the eligible project expenditures from other sources. These funds must be available to the project at the time of application submittal.

The amount available for matching purposes must be expended during the grant period. Any funds spent prior to the grant award date cannot be considered in fulfillment of the leverage requirements.
Eligibility Criteria

To qualify for the Tourism Attraction Grant, an applicant must be an Illinois-based not-for-profit corporation or organization, a municipal, township or county unit of government, or a for-profit business developing a new tourism attraction.

Grant funds may be used for a wide variety of activities necessary to improve an existing tourist attraction or develop new tourist attractions, including: land acquisition; purchase, construction or renovation of buildings; purchase or installation of machinery or equipment; and creation and implementation of interpretive programs.

Funds may also be used for conducting feasibility studies, studies for development of new tourist attractions and tourism training programs.

Projects and activities ineligible for funding include:

- Debt refinancing;
- Contingency funding;
- Operating expenses;
- Routine staff;
- Administrative expenses;

Kansas Attraction Development Grant Program

Purpose

The purpose of the Attraction Development Grant Program is to assist the development of a critical mass of sustainable, market-driven travel experiences within the state.

The intent of the grant is to provide strategic economic assistance to public and private entities and not-for-profit groups that are developing tourism attractions that serve the mission of the grant program and the Tourism Division.

Funding Limits

An Attraction Development Grant reimburses up to 40 per cent of the amount of actual expenditures for a single grant project, not to exceed a maximum of $45,000 for not-for-profit and governmental organizations and $15,000 for for-profit businesses. Applicants must provide (as leveraged funding) at least 60 per cent of the cost of the Project. Fifty percent of the leveraged funding may be in-kind contributions.

Leveraged funds may include bank loans, bonds, sponsorships, federal grants, cash, and in-kind contributions defined as donated goods or labor.
Bookkeeping and organizational salaries do not qualify as in-kind.

**Eligibility Criteria**

Eligible applicants include not-for-profit organizations, government agencies (cities, counties, townships and federally recognized Indian Tribes) and for-profit businesses.

Eligible projects include:

- Strategic Plan;
- Technology-interactive exhibits and website development;
- Out-of-State marketing Purchase or creation of a new exhibit;
- Purchase of land;
- New construction;
- Building renovations.

Ineligible Projects and Activities:

- Personal computers;
- Travel or trade shows;
- Refinancing of debt;
- General upkeep or improvements;
- Normal operating expenses;
- Retail shops;
- Restaurants;
- Lodging facilities;
- Memorials, statues or signs;
- Travel Information Centres;
- Community centers;
- Projects not having sustainable, accountable ties to the tourism marketplace;
- Grant administration fee.

**Tompkin County New York Tourism Capital Grants**

**Purpose**

The Tourism Capital Grants program is funded by the Tompkin County’s Room Tax and is administered by the Tompkins County Area Development (TCAD). The purpose of the grant is to fund investments in capital projects that will facilitate tourism for a minimum of five years.
These grants focus on major visitor-generating projects such as museums, performance venues, and other major cultural and recreational tourist attractions. The funds can be used for:

- Feasibility studies of potential capital projects;
- Seed money or one-time investments in unique capital projects;
- Ongoing debt funding of building projects.

**Funding Limits**

For new construction, expansion, and renovation projects, the fund will usually participate at the $25,000 level or higher. The grants may not fund general operating expenses such as salaries and cannot be used to pay down existing debt.

Grants may fund up to 100 per cent of a feasibility study for a tourism capital project, but usually the applicant is expected to make a cash contribution toward the study. The fund cannot be used to fund feasibility studies for capital campaigns.

**Eligibility Criteria**

The Tourism Capital Grant program is open to large, tourist generating not-for-profit or public-purpose projects.

For capital investment projects, funds may contribute up to one third of eligible costs, which include: acquisition of land; the acquisition, construction, and renovation of buildings; and acquisition of furnishings, equipment, permanent exhibitions, and other capital improvements designed to serve or promote tourism over a minimum of five years.

The application for a Capital Grant must demonstrate the financial feasibility of the project, the organizational capacity to make the project a success, and the likelihood of improved visitor experience and/or increased visitors to the facility and/or visitors increasing their length of stay in order to visit the facility.

**Tourism Cares Worldwide Grant Program**

**Purpose**

Tourism Cares was formed by the combining of the National Tourism Foundation, founded by the National Tour Association in 1982, and the Travelers Conservation Foundation, founded in 1999 by the United States Tour Operators Association. The resulting non-profit organization benefits society by preserving the travel experience for future generations through awarding grants to natural, cultural and historic sites worldwide; by presenting academic and service-focused scholarships to hospitality and
tourism students; and by organizing volunteer efforts to restore tourism-related sites in need of care and rejuvenation.

Primary consideration is to fund projects and programs, whose goal is

- Capital ("brick-and-mortar") improvements that serve to protect, restore, or conserve sites of exceptional cultural, historic, or natural significance; or
- The education of local host communities and the traveling public about conservation and preservation of sites of exceptional cultural, historical, or natural significance.

**Funding Limits**

Typical grants are $10,000; however, based on availability of funds, grants up to $100,000 are considered.

**Eligibility Criteria**

Preference is given to organizations with projects or programs that allow grant funding to be leveraged to provide increased philanthropic support; are endorsed by the local, regional, or national tourism office; and demonstrate strong support from and involvement of the local community.

---

**NEW ZEALAND**

**Tourism Facilities Development Grant Programme**

**Purpose**

The principal objective of the Tourism Facilities Development Grant Programme is to enhance the understanding and enjoyment of New Zealand by overseas visitors, through increasing the quality and number of nationally significant tourism facilities.

The Programme provides funding to assist with the provision of facilities where they are not able to be provided on a commercial basis.

**Funding Limits**

Projects are seldom fully funded from the Tourism Facilities Development Grant Programme. Applications made to the Programme must outline all other sources of funding for the project and declare if any grant assistance has been received, declined or applied for from other sources including other Government agencies, such as the Lottery Grants Board or a Business Development Board.

**Eligibility Criteria**

Eligible projects must:

- Provide or improve a nationally significant tourism facility which will
enhance the understanding and enjoyment of New Zealand by overseas visitors;

- Demonstrate clear public good benefits that could not be realized without the provision of a grant under the Programme; and
- Not compete directly with an existing commercial venture, or be for a facility that could be established commercially.

The Programme is to assist in the provision of physical facilities. Applications which are not eligible for consideration include funding for marketing activities, research, feasibility studies, website development, salaries / volunteer expenses / stipends or underwriting of financial losses.

AUSTRALIA

South Australia Tourism Development Fund

Purpose

The Tourism Development Fund (TDF), administered by the South Australian Tourism Commission, provides partial grants (up to $50,000) for tourism infrastructure projects which address gaps and add to the tourism product available in key areas of the state.

TDF grants fall into two broad categories:

1. Projects which objectively demonstrate an ability to increase visitation to the region or town and/or provide economic benefits such as additional jobs.
2. Projects which will enhance the experience of the visitor and contribute to the State's key brand attributes and marketing themes.

In general terms, applications will only be considered for funding where they can clearly demonstrate how the project will contribute towards achieving the strategic outcomes of the State Tourism Plan, Regional Tourism Strategies or Sector (thematic) Plans.

Funding Limits

The TDF provides only partial funding (up to $50,000) and applicants are expected to contribute significantly towards the project or have secured funding from other sources.

Reasonable “in kind” contributions will be considered, but does not include project management or research.

Priority is given to projects which can clearly demonstrate they will be
completed and acquitted prior to the end of the financial year to which the grant relates.

**Eligibility Criteria**

While the majority of grants are provided to local government and not-for-profit organizations, applications will be considered from private enterprise for projects which meet the TDF criteria. Grants allocated for such projects will be limited to infrastructure components and not aspects which will directly produce revenue.

Projects for which funding may be provided include tourism attractions, development programs for strategic tourism areas, facilitation of tourist access/transportation, roadside tourism signage, interpretive signage, infrastructure associated with accommodation developments and other infrastructure such as lookouts, car parking and public toilets.

Examples of projects which are specifically excluded from TDF funding include:

- Feasibility Studies;
- Projects not supported in Regional Strategies or the State Tourism Plan;
- Recreational or sporting facilities for local communities;
- Town gateway/entrance signage;
- Marketing activities;
- Retail outlets;
- Community Art projects;
- Major restoration projects unless they generate a viable economic return into the tourism industry;
- Non-fixed assets such as bicycles, vehicles, etc.;
- Staff/Project Officers.

**Australian Tourism Development Program**

**Purpose**

The Australian Tourism Development Program offers competitive merit-based grants ranging from $50,000 to $500,000 over a two year span.

**Funding Limits**

There are two categories of grants that are offered. The first category is for tourism and tourism investment proposal projects. Within this Category, the grants offered are up to $100,000 and are on a matching cash basis. The focus of Category 1 projects should be on providing or enhancing tourism
products, facilities and/or services.

The second Category is for integrated tourism development projects which have a maximum funding limit of $500,000. Projects within Category 2 are larger in scale and should involve a collaboration of a number of regions. There must be a project management committee in which the lead applicant holds overall responsibility.

**Eligibility Criteria**

The following organizations are eligible to apply for Category 1 grants:

- Private business sector;
- Business specializing in Indigenous tourism;
- Non profits;
- Regional tourism or economic development organizations;
- Peak or national tourism industry associations;
- Local government agencies projects that are out of scope of regular responsibilities.

The following organizations are eligible to apply for Category 2 grants:

- Non profits;
- Regional tourism or economic development organizations;
- Peak or national tourism industry associations;
- Local government agencies projects that are out of scope of regular responsibilities.

**Community Sporting and Recreation Facilities Fund**

**Purpose**

The Community Sporting and Recreation Facilities Fund (CFRFF) support the creation of sustainable infrastructure for sport and recreations. The goal is to increase participation and advocate healthy lifestyles through sport and recreation across the State. The State government provides $9 million a year to the fund.

**Funding Limits**

There are two types of grants offered under the CFRFF—Annual Grants and Forward Planning Grants.

Annual Grants, which are awarded to projects more simple in nature that must be claimed by the next financial year. Examples of eligible projects include:
- Minor upgrades to clubrooms/pavilions;
- Cricket pitch and practice wickets;
- Minor upgrades to swimming pool;
- Small flood lighting projects;
- Grassed court or bowling green construction;
- Resurfacing hard courts (low priority);
- Reticulation system for grassed playing fields;

The annual based grant that offers funding to projects that have a total value of $7,500 to $300,000. Under the Annual Grants, the minimum contribution from CFRFF is $2,599 and the maximum is $100,000.

Forward Planning Grants are offered for more complex projects that require a planning period of 1 to 3 years. Examples of these projects include:

- Multi-purpose leisure/recreation centre;
- Swimming pool-new or major upgrade;
- Construction of large synthetic fields;
- Playing field construction;
- Clubroom-new or major upgrade;
- Large ablution block/change rooms.

Under the Forward Planning Grants, the total value of the project must exceed $300,001. The minimum contribution from CFRFF for this grant is $100,001 and the maximum is $1,800,000.

Of the total $9 million that is allocated every year, approximately $2 million is for Annual Grants and the remaining $7 million for Forward Planning Grants.

**Eligibility Criteria**

Projects that are eligible for funding include:

- Renovation and expansion to existing facilities;
- Construction of new facilities;
- New or replacement on synthetic surfaces;
- Flood lighting projects;
Resurfacing of synthetic playing pitches or courts (which are considered low priority for funding);

Eligible applicants must be a local government authority or a not-for-profit sport, recreation or community organization incorporated under the WA Associations Incorporation Act 1987.

---

**Regional Infrastructure Funding Program**

**Purpose**

Regional Infrastructure Funding Program (RIFP) aims to encourage, promote and support the sustainable development of regional Western Australia. The program offers funding ranging from $100,000 to $5 million per project. The main objective is to attract investment and jobs to the region to enhance quality of life.

**Funding Limits**

Financial assistance under the RIFP is available over 4 years starting 2005/2006. The form in which the funds will be allocated will be grants and low or no interest loans. The maximum funding available for one project is $5 million. Applications for less than $100,000 will generally not be accepted. Applicant may receive full, partial or no funding.

Capital works projects which may be considered for funding through the Program include:

- Tourism development such as interpretive and discovery centres;
- Transport enhancement such as improving boat/shipping facilities, air services;
- Information and technology enhancement;
- Recycling projects;
- Industry development such as industrial parks; research facilities;
- Housing to attract professional and skilled employees or to cater for special needs groups such as people with disabilities, or multi-purpose housing;
- Education and health facilities;
- Facilities and services that will attract and retain long term residents, such as recreational, arts and cultural facilities.

The following items of expenditure are not eligible:

- Ongoing operating or salary costs;
- Feasibility studies, business and marketing plans, cost benefit analysis,
research and economic, social and environmental impact studies;
> Purchase of capital equipment (e.g., office furniture, computers, vehicles);
> Purchase of infrastructure (e.g., land, buildings);
> Non-infrastructure items such as marketing materials, brochures;
> Requests for retrospective funding, where projects have been completed or have commenced construction prior to receiving RIFP funding approval.

**Eligibility Criteria**

Eligible applicants include:

> Local government;
> State government agencies;
> Volunteer organizations;
> Business groups, educational institutions;
> Aboriginal corporations;
> Philanthropic foundations;
> Community organizations.

Partnership, where feasible, is encouraged for local government projects. State government agencies are required to demonstrate why they are unable to fund the project under their own budget.

Funding to individuals or individual businesses will only be considered where there is a significant benefit to the broader community or industry sector in regional Western Australia.

Non-regional organizations may be eligible for funding where a project is carried out within regional Western Australia and meets all the Scheme’s essential criteria as a minimum.

**IRELAND**

**Tourism Capital Investment Programme**

**Purpose**

The Tourism Capital Investment Program was developed by the Failte Ireland National Tourism Development Authority to help fund the
development of international class visitor attractions and activity products.

**Funding Limits**

The funding available under the TCIP includes €50 million to be allocated for the upgrading and renovating 20 existing attractions to best international standards, €14 million to be awarded to support up to three new attractions and €6 million to be invested for further development and restoration of historical and other major ornamental gardens.

The maximum amount of funding available for projects to upgrade and renovate existing attractions is €5 million. Projects that cost above this maximum are still eligible, but the balance of the cost will not be eligible for grant aid. All projects including public and voluntary sector, are required to match grant funding.

Any project to be considered under the development of new iconic visitor attractions must have a minimum qualifying expenditure of €5 million and a maximum of €12 million. All projects including public and voluntary sector, are required to match grant funding.

Up to €6 million will be used to invest in historic or other Great gardens.

The following private sector products will also be considered for funding:

- Water sports centres and boat rentals;
- Other outdoor activity centres and facilities;
- Learn to/Resource facilities;
- Equestrian facilities;
- Angling.

There will be a minimum eligible investment level of €250,000 pertaining to the above private sector products.

**Eligibility Criteria**

Eligible applicants include:

- Private Sector: Companies and other legal entities and individuals;
- Public Sector: Companies established to operate facilities on behalf of the public sector;
- Public Sector bodies directly responsible for the operation of facilities;
- Voluntary Organizations.
Where private sector entities qualify as small or medium enterprises (SMEs), they are generally eligible for higher rates of grant aid. SMEs are defined by the European Commission as follows:

**Medium-sized enterprise** is an enterprise satisfying all of the following criteria:

- Has fewer than 250 employees, and;
- Has either an annual turnover not exceeding €50 million, and / or a balance-sheet total not exceeding €43 million, and;
- Is independent.

**Small enterprise** is an enterprise that satisfies all of the following criteria:

- Has fewer than 50 employees, and;
- Has either an annual turnover and / or annual balance-sheet total not exceeding €10 million; and
- Is independent.
Ontario Tourism Infrastructure Research Study
Appendix E: Access (Transportation) Infrastructure

Prepared for:
Ontario Tourism Competitiveness Study

Prepared by:
HDR Decision Economics
480 University Avenue, Suite 404
Toronto, ON
M5G 1V2

February 2009
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>E-5</td>
</tr>
<tr>
<td>Proposed Next Steps</td>
<td>E-7</td>
</tr>
<tr>
<td>1.0 Introduction</td>
<td>E-9</td>
</tr>
<tr>
<td>2.0 Identification and Synthesis of Inter-Jurisdictional Best Practices</td>
<td>E-10</td>
</tr>
<tr>
<td>2.1 British Columbia</td>
<td>E-11</td>
</tr>
<tr>
<td>2.1.1 BC Transportation Infrastructure</td>
<td>E-11</td>
</tr>
<tr>
<td>2.1.2 Tourism Strategy</td>
<td>E-12</td>
</tr>
<tr>
<td>2.1.3 Relevance for Ontario</td>
<td>E-12</td>
</tr>
<tr>
<td>2.2 Massachusetts</td>
<td>E-12</td>
</tr>
<tr>
<td>2.2.1 City of Boston</td>
<td>E-13</td>
</tr>
<tr>
<td>2.2.2 Massachusetts, Boston and Area Transportation Infrastructure</td>
<td>E-13</td>
</tr>
<tr>
<td>2.2.3 Tourism Strategy</td>
<td>E-13</td>
</tr>
<tr>
<td>2.2.4 Relevance for Ontario</td>
<td>E-14</td>
</tr>
<tr>
<td>2.3 Michigan</td>
<td>E-16</td>
</tr>
<tr>
<td>2.3.1 Detroit</td>
<td>E-16</td>
</tr>
<tr>
<td>2.3.2 Michigan and Detroit and Area Transportation Infrastructure</td>
<td>E-17</td>
</tr>
<tr>
<td>2.3.3 Tourism Strategy</td>
<td>E-17</td>
</tr>
<tr>
<td>2.3.4 Relevance for Ontario</td>
<td>E-18</td>
</tr>
<tr>
<td>2.4 Quebec</td>
<td>E-19</td>
</tr>
<tr>
<td>2.4.1 Quebec, Montreal and Area Transportation Infrastructure</td>
<td>E-20</td>
</tr>
<tr>
<td>2.4.2 Tourism Strategy</td>
<td>E-20</td>
</tr>
<tr>
<td>2.4.3 Relevance for Ontario</td>
<td>E-21</td>
</tr>
<tr>
<td>2.5 New South Wales</td>
<td>E-21</td>
</tr>
<tr>
<td>2.5.1 Sydney</td>
<td>E-22</td>
</tr>
<tr>
<td>2.5.2 New South Wales and Sydney and Area Transportation Infrastructure</td>
<td>E-22</td>
</tr>
<tr>
<td>2.5.3 Tourism Strategy</td>
<td>E-22</td>
</tr>
</tbody>
</table>
APPENDIX E

Appendix E-I – Ontario Tourism Regions and Flows E-77
Appendix E-II – Gravity Model Details E-85
Appendix E-III – Ontario Tourism – Transportation Connectivity Data E-95
Air Carriers in Ontario E-107
Road Congestion Estimation E-110
Appendix E-IV – Generalized Cost of Travel and Tourism Multipliers E-111
Generalized Cost of Travel E-111
Multiplier Methodology for Estimating Tourism Impacts E-116
Executive Summary

Tourism is an important industry for Ontario. And a modern, efficient, and complete transportation system is necessary to support a vibrant tourism industry.

Transportation investment decisions do not typically consider any spin-off benefits that they may have for tourists. Some jurisdictions are starting to change this; but in the main, the Ontario public and private tourism industry has little input into transportation decisions that have a material impact on their success.

In an era of constrained government spending, a process to choose targeted, high return investments is needed. In order to determine transportation projects that will best support the tourism sector, a framework is required to choose what to support, where, and when.

This paper builds on the interview research in this study which found that the transportation network is critically important in attracting tourists to Ontario and is crucial in maximizing the benefit to the Ontario economy of tourists once they are here.

Findings
The first major finding of this study is that the majority of attractions and hence the lion’s share of tourist travel is in the “Primary Tourist Zone” – a few tourist regions clustered in southern Ontario.

The second finding is that transportation in and around the hub of these flows -- the Greater Toronto and Hamilton Area (GTHA) -- is mainly by road and this travel is congested beyond a healthy level.

Gaps
While there are irritants for tourist travel, there are two major gaps identified in the Ontario transportation system.

The first is that this congested road travel is a hindrance and perhaps a deterrent to tourist travel.

The second is that while the majority of Primary Tourist Zone attractions are accessible by rail and public transit, both have suffered from under-investment. These are options that, with more investment, could alleviate the road congestion problem.
Priorities
Following from these gaps, two strategic priorities emerge.

90% of Ontario tourist attractions could be reached from a rail route along
the southern corridor of Ontario with spurs to Niagara and Ottawa.
Making rail an attractive, reliable, and affordable transportation option in
the Primary Tourist Zone needs to be a priority.

Public transit is a second priority that can address the congestion problem
and will contribute to creating attractive walkable tourist destinations by
leveraging the agglomeration economies that come with transit hubs.
Canada is underinvested in public transit and Ontario has allowed a transit
infrastructure gap to open as it has grown.

Framework
A framework is presented for tourism public policy to assess which
transportation projects are most important from a tourism perspective.
The paper also suggests that the generalized cost of travel between
Ontario’s travel regions is an important policy lever that can be used to
aid the tourism industry. By reducing the cost of travel between regions
through more, faster, or easier access, the Ontario government can help
the tourism industry. Finally a methodology for translating a change in
the generalized cost of travel into tourism impact is presented that uses
the Ministry’s TREIM model. This ultimately leads to a cost-effectiveness
framework for prioritizing transportation initiatives from a tourism
perspective.

Five Steps to Compare Transportation Infrastructure Projects
Based on Their Tourism Impact Relative to Cost Ratio:

1. Characterize transportation initiatives in terms of their
effect on a tourist’s generalized cost of travel (travel time
plus wait times multiplied by the cost of time);
2. Use gravity model parameters to convert the cost of travel
into changes in tourist flows;
3. Use Ministry’s TREIM model to convert tourist flows into
economic impacts (direct, indirect, and induced
expenditures, taxes, jobs) to the region(s) and/or Province;
4. Calculate the cost effectiveness (tourism impact to cost)
ratio; and,
5. Rank the projects by their cost effectiveness ratios.
Proposed Next Steps

**Proposed Next Step 1:**
The Ministry of Tourism provide advice on transportation investment priorities on the basis of their cost-effectiveness from a tourism perspective.

As specific project costs and benefits from transportation investment proposals are identified they should be inputted to the framework to set tourism-related transportation priorities.

**Proposed Next Step 2:**
Priority should be placed on modes of transportation that do not contribute to road congestion and can be incorporated into the tourist experience.

Transit is an option that can cost-effectively move tourists between attractions within a region.

**Proposed Next Step 3:**
Making rail an attractive, reliable, and affordable transportation option in the Primary Tourist Zone should be a priority for moving tourists across regions.

In terms of tourism, rail travel in the Windsor to Cornwall corridor (and Ottawa and Niagara) should be subject for further investigation. The vast majority of tourists travel in this corridor and most tourist attractions could be reached by rail.

**Proposed Next Step 4:**
Consider developing transportation options to support targeted groups of tourists (e.g. seniors and people with disabilities, green tourism etc).

**Proposed Next Step 5:**
Tourist transportation infrastructure should be premised on attracting visitors to key destinations and on dispersing them to broader surrounding areas as well.

The regions comprising the Primary Tourism Zone should be the focus for further tourism transportation infrastructure study.

**Proposed Next Step 6:**
Transportation options that are also tourist attractions be dealt with outside of this framework.
Proposed Next Steps 7-12:
There are several proposed next steps to address data gaps and opportunities for gaining a better understanding of tourism flows and their impacts and priorities:

Proposed Next Step 7:
When another year (or years if previous years are re-stated to match 2006) of data becomes available for Ontario’s tourist flows that matches that from 2006, it is recommended that the gravity models be re-estimated.

Proposed Next Step 8:
As more data becomes available, tourist attractions within each region should be added to the models.

Proposed Next Step 9:
Data should be extended to include U.S. access points and be integrated with the Ministry of Tourism Research Department’s international gravity model elasticities.

Proposed Next Step 10:
In addition, further parsing of tourist flow data to break out varying types of tourism (e.g., visiting friends and relatives (VFR) and cottage travel) will enable a clearer understanding of varying tourism impacts and benefits.

Proposed Next Step 11:
Data on waterways travel (use, frequency, cost, duration, and availability) should also be collected to complete the picture in terms of tourist travel in Ontario.

Proposed Next Step 12:
Finally, the framework developed should be extended to incorporate road congestion costs. Data on congestion on Ontario’s highways and how it affects the generalized cost of travel should be collected and used to give a truer picture of the relative costs of road versus other modes of transportation.
1.0 INTRODUCTION

Tourism is a material and expanding element of Ontario’s economy. Approximately 4.5% of Ontario’s GDP and employment was due to tourism.\(^1\) This, however, masks some regional disparities. For instance, tourism, as a source of income and employment, is relatively more important to more remote locations in Ontario—specifically Northern Ontario.\(^2\) Tourism infrastructure includes the tourism attractions themselves as well as the supporting system of signs, transportation network, and tourist information structures. It is the role of the road, rail, bus and air network in supporting the tourism industry that is the focus of this study.

That the transportation infrastructure is important to the tourism industry is confirmed in the results of the surveys conducted and listed in Section 3 of this report.

Sustained growth in this sector requires that a viable, safe and predictable transportation system exists. This issue becomes more important when one considers that a large portion of tourism flows originate in urban or suburban settings and is destined for rural settings, which are generally located in more remote locations.\(^3\) A tourist transportation infrastructure is needed to facilitate this movement. Once tourists come to a region they need to be able to pass smoothly and quickly through gateways and then be able to proceed to the regional surrounding areas.

A number of studies have shown that infrastructure, among other factors, is a major determinant of tourist flows. Some studies have even suggested that transportation infrastructure, within the overall destination experience, enhances the trip “value” to the tourist.\(^4\) This is an important finding since it suggests that access to a well connected, available and reliable transportation system is not merely an enabler of tourism, but is perceived by the traveler as a good in itself.

Although the present study focuses on transportation infrastructure from an enabling perspective, it is important to note that an adequate transportation system can provide benefits that go beyond facilitating travel in and between various regions.

---


Tourism gets little priority in the Province’s transportation plans:

- In the “Southern Highways Program 2008 to 2012” document it is noted that “Transportation is important to every Ontarian and equally important to Ontario’s well being. A safe and efficient transportation network is crucial to Ontario’s economic prosperity and quality of life. By improving and maintaining Ontario’s transportation infrastructure we are creating jobs, supporting growing urban centres, helping businesses compete in the global marketplace and keeping Ontario families safe.” The only explicit mention of tourism is “The QEW is a major economic trade route in Ontario. Six-laning and other improvements will address capacity, safety and operations for the high volumes of local, tourist and border traffic using the QEW through St. Catharines” (emphasis added).

- Metrolinx, a Provincial agency looking at the Greater Toronto and Hamilton Area transportation is calling for:
  - an amendment to the Ontario Public Vehicles Act to allow third parties such as non governmental organizations to provide vanpools to service major trip generators such as, amongst other things, tourism destinations; and,
  - leveraging the Presto fare smart card’s technology and pursue partnerships with, as well as others, tourism destinations.

Because there is little thought given to tourists’ needs in making transportation decisions this means that the Ministry of Tourism needs to actively promote a framework for setting tourist transportation infrastructure priorities to raise the profile of tourism in transportation infrastructure decisions.

This paper outlines a framework for assessing how the transportation infrastructure supports the tourism industry in Ontario. The outlined sections are as follows: Identification and Synthesis of Inter-jurisdictional Best Practices, Analysis of Existing Transportation Infrastructure and Impact on Tourism, Analysis of Infrastructure Impediments/Gaps, and Tourism Access (Transportation) Infrastructure Framework.

2.0 IDENTIFICATION AND SYNTHESIS OF INTER-JURISDICTIONAL BEST PRACTICES

Five jurisdictions were studied for best practices in the development of a transportation network or transportation strategies to support the tourism industry. The states/provinces selected for study were: British Columbia; Massachusetts; Michigan; Quebec; and New South Wales.
2.1 British Columbia

Tourism in British Columbia has experienced strong growth in recent years. Tourism revenue increased from $1.5 billion in 2002 to $2 billion in 2007, an almost 6% compound annual growth rate. In 2006, tourism gross domestic product reached $6.7 billion and the sector accounted for 120,000 jobs.

2.1.1 BC Transportation Infrastructure

The Province of British Columbia has an extensive network of inter-urban public transportation. For instance, it is fairly easy and affordable to go from Vancouver (downtown or airport) to downtown Victoria by scheduled bus, city bus, ferry, car, and plane.

BC’s network of highways and roads are well-maintained. BC is well connected by roads. For instance, Highway 1, the Trans-Canada, runs through the province from east to west; Highway 99 connects Vancouver to the US border; Highway 97 runs in a south-north pattern and goes from Osoyoos to Yukon. The tourist destination of the Kootenay Rockies is served by Highways 93, 95 and 3. To facilitate travel to the Sunshine Coast, there is a ferry service from Vancouver to Highway 101.

BC Ferries serves almost 50 ports of call along the BC coastline. Free passenger/vehicle ferry service is provided by the government of BC across lakes and rivers that are not spanned by bridges. Water taxis complete the ferry network and provide access to many remote islands and inlets along the coast.

When traffic on BC’s sea to Sky highway was interrupted this year after a massive rock slide travelers were offered ferry services instead.

British Columbia has 19 modern airports. These airports are connected to downtown or tourist sites by highways and served by ferries, shuttles, and buses for short trips.

A report by InterVistas Consulting Inc.\(^6\) shows the impact of transportation on tourism. This report identifies four transportation pillars of tourism:

1. Highway/ferry access;
2. Air access;
3. Rail experience; and

This report lists several examples of the impact of transportation on tourism:

1. The Cranbrook Airport: has seen growth in skiing visits to the East Kootenay region, and attracts more foreign tourists to Fernie, Kimberly, and Panorama; this in turn has created about 1,100 jobs, and has increased tax revenue by $13 million per year.

2. The Vancouver Cruise ship: created 3,000 direct jobs in BC and 1,500 in Western Canada; and has generated $500 million in spending in 2001.

InterVistas Consulting Inc.’s strong recommendation to the province of British Columbia was to increase investment in transportation.

2.1.2 Tourism Strategy

In February 2007, the Ministry of Tourism of BC published the *Tourism Action Plan* as a framework to improve tourism in BC and double tourism revenues by the year 2015. This plan identifies four key strategic areas: Marketing and Promotion, Development and Investments, Access and Infrastructure, and Tourism Workforce. With respect to the access and infrastructure area, there are four actions aimed at:

1. Coordinating investment in infrastructure to support tourism development;
2. Encouraging hassle-free entry to BC;
3. Creating ease of travel around BC; and
4. Increasing airlift capacity for BC.

This action plan recommends undertaking the following actions relevant to the area of transportation:

- Establish a mechanism for periodic analysis of projected enhancements by region to anticipated future tourism demand;
- Ensure planning processes to identify infrastructure gaps and devise government action to fill those gaps;
- Leverage transportation infrastructure investments and other tourism-related development; and
- Work with the federal government to improve air access to British Columbia.

2.1.3 Relevance for Ontario

The major point drawn from this *Tourism Action Plan* is the need for planning; planning that addresses all aspects of tourism including marketing and promotion, development and investment, access and infrastructure, and tourism workforce. The next step is to define the objectives and to design a specific plan of action to undertake in order to achieve these objectives.

As shown by the InterVistas report, investments in transportation (in this case airport) bring benefits to the economy in general but also to tourism in particular (tourism-related jobs, tourism spending, and greater number of visitors).

2.2 Massachusetts

History and heritage constitute Massachusetts’ biggest tourism advantage. This New England state offers many tourist sites but also many ways to get around and see them.

---

7 [http://www.tsa.gov.bc.ca/tourism/docs/tourism_action_plan.pdf](http://www.tsa.gov.bc.ca/tourism/docs/tourism_action_plan.pdf)
2.2.1 City of Boston

Boston, one of America’s oldest cities offers a large number of historic attractions, museums, parks, and world-class educational institutions. Boston receives 12 million annual visitors.⁸

2.2.2 Massachusetts, Boston and Area Transportation Infrastructure

Transportation infrastructure is designed to facilitate access to and within the state.

Logan Airport is near the center of the city of Boston and has a subway terminal. Also, there are shuttle buses that run the airport loop road free of charge. Tourists can also take the airport water shuttle to reach the center of the city.

Once in the city, tourists have a wide variety of transportation options. The subway, which is America’s oldest underground rapid transit, offers four lines. Two lines, the Blue Line and the Silver Line are most used by tourists as they serve most of the tourist attraction sites.

The Massachusetts Bay Transportation Authority also operates thirteen commuter rail lines connecting Boston to other cities. The connectivity of the city is also enhanced by Amtrak, the national passenger rail service that runs service through the Northeast corridor (Washington DC to Boston). This allows tourists interested in touring the northeastern part of the country to take the train from DC and make stops along the way before reaching Boston.⁹

The bus network is less useful for tourists wanting to see the major sites. However, the Silver Line buses are particularly handy and connect the airport with the south station and downtown Boston.

There are 34 islands in Boston Harbor with fortresses, parks, picnic spots, fishing areas, and walking paths. Boston has an extensive ferry network that serves these islands. The city also offers whale watching cruises.

Outside of Boston, Massachusetts offers a developed tourist sightseeing network. Western Massachusetts offers a cruise service, the Lady Bea on Connecticut River. South of Boston, Narragansett Bay Cruises take tourists on a 90-minute sightseeing tour of Fall River, Narragansett Bay lighthouses and historic naval ships of Battleship Cove. The Wachusett Mountain Skyride in Central Massachusetts takes tourist to the famous Massachusetts foliage. The Cape Cod Canal Cruise offers day, sunset, jazz and moonlight tours. To discover the natural wonder of Nantucket, Ara's Tours takes tourists on a 90-minute van tour of Nantucket Island, guided by a resident naturalist and photographer.

2.2.3 Tourism Strategy

Massachusetts’ tourism strategy involves identifying the major tourist sites and providing appropriate means of transportation. There is good connectivity between

---

⁹ Transit fares in Boston and Toronto are the same for a one day pass - $9. Toronto has higher cash fares ($2.75 vs. $2) and weekly fares ($32.25 vs $15).
the port of entry and the major destinations. This connectivity is enhanced by organized tours to provide tourists with maximum comfort.

The most innovative tourism attraction strategy of the city of Boston is found in the concept of “Boston Green Tourism”. This is an initiative to target “visitors who seek a city with easy access to nature, beauty and outdoor recreation, and who desire environmentally-friendly hospitality services.”\(^{10}\) As well as developing green hotels and restaurants there is a move to develop a transportation system that encourages visitors to take mass transit, ride in hybrid taxis, or walk. Boston by Foot takes tourists on guided architectural and historical tours to many sites such as Freedom Trail, Beacon Hill, and Boston Underground. South of Boston, the Summer Walking Tours Program takes tourists on foot to the whaling area and a tour of local Victorian architecture\(^ {11}\).

Boston Green Tourism was awarded on April 22 the 2008 EPA Environmental Merit Award in recognition of its commitment to the environment.

2.2.4 Relevance for Ontario

There are two major best practices that Ontario could implement. First, the idea of Green Tourism is very relevant for this century. With the growing number of people concerned with environmental issues, policies in the direction of green tourism could attract a large number of environment friendly tourists.

Appealing through tourism advertising to Ontario residents to lower their travel carbon footprint by not flying to Florida or Europe for a vacation but rather taking a more environmentally friendly intra-Ontario train vacation may be a strategy Ontario can explore.

Lanark has launched an environmental festival (“the Art of Being Green”). Now in its second year it has increased its attendance to 7,000 from 4,500 participants. This year, as reported in the Globe and Mail, the festival “filled every bed-and-breakfast within a 30-minute drive.”\(^ {12}\)

Ontario could further develop tourist-dedicated green transportation facilities. Some examples of existing attractions that could be developed in this direction are:

- Royal Botanical Gardens
- McMichael Gallery
- Niagara Parks
- St. Lawrence Parks
- Huronia Historical Parks
- Fort William Historical Park
- Algonquin Park

\(^{10}\) [http://www.bostongreentourism.org/Home_Page.html](http://www.bostongreentourism.org/Home_Page.html)


Second, building on the concept of guided pedestrian tours, the province could tie into the Metrolinx plans to develop mobility hubs and walkable neighbourhoods in the Greater Toronto and Hamilton Area. Pedestrian tours such as “Jane’s Walks” - free neighbourhood walking tours that started in Toronto and last year spread to other Ontario cities: Ottawa, London, Thornbury and Guelph.

Transit-oriented development can increase the value of commercial and residential properties. Increases in property value around transit developments are over and above the effects of travel time savings on rents. Such increases represent non-user benefits, namely consumers’ willingness to pay for locational attributes associated with transit (“urbanization”) that extend beyond the use of transit as a travel mode.

Transportation research finds that transit-oriented development has positive social and economic impact on the economic vitality of communities. These include impacts such as:

- More scope and demand for walk and bicycle trips;
- Reduction in demand for auto trips and dependence on auto;
- Higher residential property values; and,
- Greater demand for commercial floor space and higher commercial property values.

That people “pay” for transit in house prices, even though they may not even use transit suggests that transit hubs have value beyond the access that transit provides. It is these attributes that attract tourists as well as residents. Coffee shops, restaurants, and retail stores congregate where there are more people walking, cycling and generally spending more time than would be spent in just driving through an area. These agglomeration effects are ones that tourism can leverage for its benefit by targeting livable communities as tourist attractions and developing tourist destinations at transit stops.

“Data released by Statistics Canada as part of the 2006 census indicates that Toronto has surpassed Miami (which held the record in 2004) in terms of the number of foreign-born population within the city, with 45.7% of the population of Toronto being foreign born”\(^\text{13}\). Areas like Koreatown, Chinatown, Little Jamaica, Gerrard Street East, Portugal Village, Corso Italia, and Little Italy are examples of Toronto’s large ethnic populations. These interesting ethnic areas are appealing to tourists wanting a flavour of the exotic close to home. These communities are also likely beneficiaries of the agglomeration effects and livable community benefits of Metrolinx’s vision for expanded transit in the GTHA.

2.3 Michigan

Michigan tourism has always been a significant part of the state’s economy. It employs more than 200,000 people and generates over $900 million in state tax revenue annually. Tourism in Michigan is a $17.5 billion industry. The majority of tourism travel is undertaken by Michigan residents (70%) and the rest by out-of-state tourists, making Michigan similar to Ontario (where 80% of tourists are from Ontario).

The similarities between Michigan and Ontario (Great Lakes access, similar climate and geography, and population size) and the direct connectivity mean that they are close comparators as tourist attractions. Also areas of focus for Michigan’s tourism parallel Northern Ontario’s, hunting, fishing and outdoor activities.

“Hunting is a major component of Michigan's economy. Michigan ranks first in the nation in licensed hunters (over one million) who contribute $2 billion annually to its economy. Over three-quarters of a million hunters participate in white-tailed deer season alone. Many school districts in rural areas of Michigan cancel school on opening day of rifle season, because of attendance concerns. Likewise, “Nature and outdoor tourism, from hunting and fishing to snowmobiling, canoeing and rock climbing is a key part of the Ontario economy.”

In the late 19th century, Mackinac Island became a popular tourist attraction and summer colony. Much of the island has undergone extensive historical preservation and restoration; as a result, the entire island is listed as a National Historic Landmark. It is well known for its numerous cultural events; its wide variety of architectural styles, including the famous Victorian Grand Hotel; and its ban on almost all motor vehicles. More than 80% of the island is preserved as Mackinac Island State Park.”

2.3.1 Detroit

The tourism market in Detroit is large. Almost 16 million people visit Metro Detroit annually. Visitors’ spending amounts to $4.8 billion. The importance of tourism in the economy led to the creation, in 2003, of the Tourism Economic Development Council. This council, a public/private partnership leads and directs programs to make Metro Detroit a competitive tourism destination. A committee of the council is completely dedicated to transportation services and another one to the airport experience. Since its creation, the council has worked on different tourism enhancing activities such as freeway maintenance, and mass transit.
2.3.2 Michigan and Detroit and Area Transportation Infrastructure

Transportation in Michigan is the responsibility of the Michigan Department of Transportation. Michigan, because of its geographical location is considered a strategic state with its international connection with Canada. In fact, there are nine international crossings with Ontario. Michigan is served by five Class I railroads (the Canadian National Railway, the Canadian Pacific Railway, CSX Transportation, the Norfolk Southern Railway, and Conrail). In addition, there are dozens of short line railroads. Amtrak passenger service connects southern and western Michigan cities to Chicago. The state’s connectivity is high with a lot of major interstates (I-69, I-75, I-94 and I-96) connecting Michigan to other states and running throughout the state.

The Detroit Metropolitan Wayne County Airport is the primary hub for Northwestern Airlines and Spirit Airlines. The mass transit is operated by the Detroit Department of Transportation covering the downtown areas to the outer edges of the city. The Suburban Mobility Authority for Regional Transportation (SMART) provides service to the suburbs.

2.3.3 Tourism Strategy

Prior to Super Bowl XL, on February 5, 2006, Metro Detroit initiated a vast operation to clean-up and beautify Detroit’s gateway freeways. To ensure the city would continue to enjoy a well maintained freeway system after the Super Bowl game, the council formed in 2006, a task force to study and benchmark the best practices to maintain key gateway freeways and make proposed next steps to address any maintenance shortcomings.

Many studies have shown that Metro Detroit has a limited public transit network. Surveys for the council of both residents and visitors found a lack of public transportation and connectivity. The results of the survey suggest that these are the top two factors distracting from a positive tourism experience. The council is working with transit planners and the hospitality community to advocate for improvements in regional mass transit.

The Michigan Department of Transportation (MDOT) initiated in 2005 a study to evaluate the economic benefit of its five-year transportation program. Through this program, the MDOT spends $1.2 billion annually to preserve, maintain, and enhance the state’s road and bridge system. The foundation for the investment decision is that a well-maintained and efficient transportation system provides the backbone to all economic activity within Michigan.

The methodology of this study is to estimate under an alternative scenario the

19 “Railroads Operating in Michigan”, Michigan Department of Transportation


transportation-related benefits of the program: time-savings for households and businesses, and investment in construction and engineering. These benefits are factored into Michigan’s macroeconomic gains. The base case, for comparison purposes, considers road and bridge infrastructure in its current state and how they will wear down as a consequence of not funding this program.

MDOT earmarked manufacturing and tourism as industries for which the evaluation of benefits was important. “MDOT’s focus industries, the manufacturing and out-of-state tourism sectors, make up almost 20 percent of Michigan’s economy. In addition to contributing over a million jobs, manufacturing and tourism are two of the state’s leading export-base sectors, drawing in income from the rest of the country as well as from the rest of the world.”

The results of this study show that the benefits include travel-time savings and economic effect on Michigan of MDOT’s Program.

Travel-time savings include:
1. with 98% of trips fully contained within Michigan, the savings related to home to work and personal trips;
3. Michigan businesses share part of the savings associated with employees’ commute times in addition to the full amount of time on-the-clock. These are worth $4.2 million (2005) and $11 million (2009); and,
4. Michigan businesses benefit from commercial vehicle time-savings which at a rate of $50 per hour amounts to $8.7 million (2005) and $24 million (2009).

In summary, Michigan households will save a total of $21.7 million (2005) to $57.6 million (2009). Michigan businesses will gain between $12 million (2005) to $35 million (2009). In 2005, more than 26,000 jobs were created in Michigan due to the program and Gross State Product (GSP) increased by $1.5 billion. Over the duration of the program, the inflation-adjusted GSP benefits cumulate to $6.5 billion, and real personal income benefits sum to $4.2 billion.

Using time savings to tourists as a measure of the benefits of tourism transportation infrastructure improvements is a theoretically sound approach to value and prioritize transportation investments. Investment by Ontario in transportation will reduce travel time for both domestic and out-of-province travelers. Also, as is the case for the state of Michigan, new jobs will be created and tax revenue will increase. In the case of Michigan, MDOT calculated that their “Highway Program created 1,012 jobs in manufacturing in 2005, and 295 jobs in out-of-state tourism. For context, the total number of jobs attributable to the program in 2005 amounts to about half a

---

22 Ibid
percent of total employment in the state.”23

Michigan’s Department of Transportation has calculated the time savings associated with its investment program. The impact of these time savings and the impact of the construction jobs have been translated into benefits to the tourism sector. A similar approach using time savings and a focus on impacts in the tourism industry is outlined below for Ontario.

2.4 Quebec

In 2004, the province of Quebec ranked second, after Ontario in the proportion of domestic trips by Canadians. Quebec’s share in the Canadian total domestic market was about 28% vs. 37.3% for Ontario24. In the same year, the tourism industry in Quebec generated $9 billion in economic benefits and accounted for some 133,000 direct jobs and 48,000 indirect jobs. These numbers make tourism one of the driving forces for the economy of Quebec. Tourism ranked sixth among export industries.

The strengths of the industry include not only the tourism attractions but also good accommodation and transportation facilities. Therefore, in its 2005 publication, Toward a Sustainable Tourism25, the Quebec Ministry of Tourism defined a policy framework to boost tourism. The economic objective in the framework of sustainable tourism is to grow tourism revenue from $9 billion in 2003 to $13 billion in 2010. One area of intervention identified by this strategic plan is the area of access and transportation. With regards to this area, the study recognizes that Quebec faces four major handicaps:

1. Quebec is vast and the distances between destinations are big;
2. Winters in Quebec are harsh and constitute a significant barrier especially for car tourism travelers;
3. The physical access to various means of transportation presents serious challenges to mobility-impaired customers; and
4. Quebec has experienced a decrease in the number of air connections to major world cities.

However, this study identifies certain domains as priorities in which Quebec can intervene such as:

1. Enhance the quality of the road network;
2. Improve airport organization;
3. Facilitate access to outlying regions; and
4. Create intermodal partnerships.

---

23 Ibid
24 http://www40.statcan.ca/l01/cst01/arts26a.htm
2.4.1
Quebec, Montreal and Area
Transportation Infrastructure

The City of Montreal has a 2008 transportation plan\(^\text{26}\) that suggests that growth in airport systems requires the realization of diverse projects such as the construction of a railway to connect the airport and the downtown area. This will help decrease travel time and avoid delays due to congestion on the road between downtown and the airport.

Another project plans to build a 20 kilometre tramway network in the downtown area with an extension of 6 kilometres to serve tourist sites in Old Montreal and the Old Harbour of Montreal. This plan also proposes to create an additional bus line between the downtown area and Old Montreal. To ensure the reliability of service, a dedicated lane will be created. Also, parking spaces will be provided to allow tourist buses to drop off and pick up tourists.

2.4.2
Tourism Strategy

Quebec had a setback to its tourism strategy recently when it lost the Canadian Grand Prix. “The decision of Formula One to drop the Canadian Grand Prix in Montreal from the 2009 race schedule was seen not only as an issue of civic pride or a blow to race fans but also a loss to local businesses: the annual race brought in $100-million along with 320,000 spectators, about half of them from outside Montreal.”\(^\text{27}\)

Notable as a positive is Montreal’s world-famous Jazz Festival which brings in about 2 million visitors and generates the same amount of income as the Grand Prix - $100-million in 2006.

Montreal is targeting tourists who are cycling enthusiasts. Currently, the city offers 350 kilometres of bicycle paths that lead to major tourist areas. The objective is to increase the length of bicycle paths to 800 kilometres over five years but also to maintain the existing paths. The building costs are estimated to be $50 million. The following actions are projected to improve cycling in Montreal:

1. The development of “white network”, a bicycle path network usable both in summer and winter;
2. The creation of bicycle rental services;
3. The increase by a factor of five of the number of bicycle parking spaces (for instance increase parking in subway stations, require vehicle parking operators to reserve spaces for bicycles); and
4. The addition of hanging supports to city buses and taxis.

In 2001, the city of Montreal won the title of best biking city in the category of cities of more than a million inhabitants.


\(^{27}\) The festival effect”, Mary Gooderham, The Globe and Mail, November 7, 2008
Paris has launched a similar bike rental program “vélib” that offers 10,000 three-speed bikes at 750 stations. The idea was to fight traffic congestion, air pollution, and automobile noise in Paris. One year after its introduction, this program has achieved impressive results. Already more than 26 million trips taken and bikes account for 2 to 3% of all traffic in Paris. Bike Europe estimates that “between 2001 and 2007, the number of bikers has increased by 94% while car traffic has dropped 20%.”

Of note is that Toronto’s BikeShare closed last year due to lack of funding. The Community Bicycle Network’s BikeShare program relied on grants from private companies and ran from April to December since its launch in 2001. It closed in April 2007 because the program needed about $80,000 to keep operating.

The City of Toronto has elaborated a bike plan and the latest budget, for the first time, dedicates funding for the creation of bike lanes. The ambitious plan had stalled at the planning stage with implementation slowed by local business opposition at the council. Also, in previous years, there were little staff or funding committed to the plan. A good bicycle path network would not only help enhance the health of residents but also attract tourists who like biking. Toronto has a natural advantage in that it is crisscrossed by a series of ravines that have bike paths. Ontario could extend this experience to major tourism destinations other than Toronto. Toronto already has the beginnings of a bike trail to neighbouring communities along its waterfront. Finally the implementation of a Toronto-Niagara bike train could be the catalyst for more bike tours in both regions. 1,000 people rode the train during its first season (2008).

Quebec’s Ministry of Tourism strategic policy framework is to boost tourism through access and transportation. As part of this strategy Quebec has identified transportation gaps. Such an assessment of the gaps in the transportation network is an important first step in integrating access into a tourism strategy. A first step in this regard is addressed in this paper with surveys and data on cost, frequency, and duration of travel in Ontario.

2.5 New South Wales

In 2007, the State of New South Wales (NSW) received 33.5% visitors and 29.4% nights of the Australian domestic tourism market. The shares in the international market are larger (54.0% visitors and 35.3% nights). In comparison, Ontario’s share of Canadian domestic travel was 37.3% in 2004. In the international travel market, Ontario accounts for 47% of the total of one or more overnight trips by non-

---

28 http://europeforvisitors.com/paris/articles/paris-bike-rentals.htm
29 http://groups.google.com/group/trans-action/browse_thread/thread/281badcd801aca37?pli=1
30 http://www.biketrain.ca/
32 Statistics Canada, CANSIM, table 427-0001
As one of the preferred destinations of both domestic and international visitors, NSW gains a lot from tourism but also has implemented good practices to attract tourists, and to make access and travel within the region easy by putting in place transportation infrastructure and processes.

### 2.5.1 Sydney

In 2005, Sydney received 7.8 million domestic visitors and 2.5 million international visitors. In 2003, the tourism industry in Sydney employed 185,000 for direct jobs and 61,000 for indirect jobs.

### 2.5.2 New South Wales and Sydney and Area Transportation Infrastructure

Airport Link connects domestic and international terminals to railway stations. Buses run throughout the city with 4 main terminals. Sydney’s metropolitan train services (CityRail) offers a large range of leisure and tourist tickets. From the Central Station, there are frequent scheduled intra- and inter-state rail trips. Access to and from Sydney is also provided by ferries. Recently, Sydney started offering modern tram trips serving most attraction sites of the city.

One innovative tourist transport facility is the Sydney and Bondi Explorer. Explorer offers 27 stops in Sydney and 19 stops in Bondi and is the most comprehensive sightseeing tour available.

To allow tourists to travel easily in the city, Sydney offers SydneyPass that provides tourists with unlimited travel (buses, trains, trams, and ferries) and discounts into Sydney’s major attractions.

### 2.5.3 Tourism Strategy

Tourism New South Wales conducted a study in May 1998 to evaluate tourism of people with physical disabilities\(^{34}\). The study noted first that the tourism market for people with disabilities is larger than commonly estimated and is growing fast. 77% of respondents said they had undertaken at least one domestic trip in 2000. The majority of trips were within a 1 to 5 night range. In a given year, trips undertaken by people with disabilities amounted to 3.7 million trips, 29.6 million nights. In terms of revenue, for New South Wales, the market generated expenditures in the order of $150 million (more 30% of the Australian market). Similar patterns are found in the overseas tourist market.

Respondents also listed specific barriers they had encountered while traveling. Some of the barriers are related to accommodation, general wheelchair access, inaccuracy of information, inaccessible transport, and lack of parking.

These results led the authors to recommend the following actions in the domain of transportation among others to ease tourism experience for people with disabilities:

---


1. The upgrading of the rail system to include “Easy Access” stations;
2. Introduction of “low floor buses;”
3. An accessible light rail system for some targeted precincts; and
4. Adaptation of parking.

Another study was conducted to evaluate the seniors market\textsuperscript{35}. The findings of this study are interesting:

- The seniors market is booming while other segments are experiencing slow growth;
- Australia’s 2.9 million seniors spend $986 million on domestic travel annually;
- 75% of seniors traveled in 1997;
- 80% of seniors want to travel now, or in the near future;
- Seniors spend more time traveling than younger age groups;
- Seniors’ discretionary income accounts for a greater percentage of their disposable income than other markets;
- Seniors spend a greater percentage of their discretionary income on traveling than any other market segment;
- Seniors are enjoying better health than previous generations; and
- Seniors actively seek new experiences and see travel as offering this.

The results of this strategy are reflected in the growth of the number of senior domestic visitors to New South Wales. In fact, the proportion of senior tourists to the total number of visitors to New South Wales increased from 10.6% in 2001 to 11.7% in 2004\textsuperscript{36}. Similarly, the senior segment of the international market had grown from 11.1% to 14.1% during the same time frame.

2.5.4 Relevance for Ontario

The two studies on tourist travel by seniors and people with disabilities were survey-based, something that Ontario can initiate to determine the needs of these or other markets that Ontario may want to target. Statistics Canada reports that the proportion of seniors (aged 65 and over) is growing rapidly\textsuperscript{37}. This fact is common to all developed countries, but is particularly pronounced in Canada. Assuming the results of the two studies realized in Australia are applicable to most developed countries, the market of senior tourists would be expected to grow significantly. Therefore, Ontario could benefit the most if infrastructure targeting the comfort of senior tourists is put in place.

2.6 Summary of Best Practices & Relevance to Ontario

B.C.’s \textit{Tourism Action Plan} highlights the need for planning that addresses all aspects of tourism including access and infrastructure. The next step is to define the

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{36} [http://www.decipher.biz/SampleReports/SampleReportNSW.pdf](http://www.decipher.biz/SampleReports/SampleReportNSW.pdf)
\item \textsuperscript{37} [http://www.statcan.ca/Daily/English/061026/d061026b.htm](http://www.statcan.ca/Daily/English/061026/d061026b.htm)
\end{itemize}
\end{footnotesize}
objectives and to design a specific plan of action to undertake in order to achieve these objectives.

Emulating Boston Massachusetts’ targeted green tourism strategy suggests that Ontario could further develop tourist-dedicated green transportation facilities. It could also encourage guided pedestrian tours, bicycle routes and bicycle-train tourism (described in more detail below). The agglomeration effects resulting from transit plans such as those underway in many Ontario cities are ones that tourism can leverage for its benefit by targeting livable communities as tourist attractions and developing tourist destinations at transit stops.

Michigan’s use of time savings to tourists as a measure of the benefits of transportation infrastructure improvements for tourism is a theoretically sound approach to value and prioritize transportation investments. Investment by Ontario in transportation will reduce travel time for both domestic and out-of-province travelers. Michigan’s Department of Transportation has calculated the time savings associated with its investment program. The impact of these time savings and the impact of the construction jobs were then translated into benefits to the tourism sector. A similar approach using time savings and a focus on impacts in the tourism industry is outlined below for Ontario.

Quebec’s Ministry of Tourism strategic policy framework is to boost tourism through access and transportation. As part of this strategy Quebec has identified transportation gaps. Such an assessment of the gaps in the transportation network is an important first step in integrating access into a tourism strategy. A first step in this regard is addressed in this paper with surveys and data on cost, frequency, and duration of travel in Ontario.

New South Wales, Australia has focused on tourist travel by seniors and people with disabilities. Ontario, through the Accessibility for Ontarians with Disabilities Act, 2005, the first of its kind in Canada, with the aim of making the province’s transportation accessible by 2025, should have an advantage in this area over other jurisdictions. As well as having an advantage, the market for senior tourists is expected to grow significantly due to the large number of Ontarian baby-boomers starting to reach their sixties. Therefore, Ontario could benefit the most if infrastructure targeting the comfort of senior tourists and those with disabilities is put in place.

38 Examples include:
Transit City in Toronto – TTC - http://www3.ttc.ca/About_the_TTC/Projects_and_initiatives/Transit_city/index.jsp
Proposed Next Step: *Consider developing transportation options to support targeted groups of tourists (e.g., seniors and people with disabilities, green tourism etc).*

Three examples are given below:

a. **Green tourism** - Train, transit, as well as active transportation (walking and biking) are options that can be encouraged through transportation infrastructure investments. Walking tours and integrated bike/transit/train facilities should be integrated into Ontario’s tourism strategy and facilities. As discussed, with reference to tourism infrastructure, enhancement of Ontario’s trail network should be seen not only as product development, but as part of the solution to access.

b. **Seniors and people with disabilities** – The number of seniors is growing rapidly. Ontario, with a well-developed and, in the main, accessible transportation system and barrier-free attractions could build upon this to offer targeted tourism to these groups.

c. **Active transportation paths** - A series of good bicycle path networks would not only help enhance the health of residents but also attract tourists who like biking. Ontario could extend this experience to major tourism destinations other than Toronto. Toronto already has the beginnings of a bike trail to neighbouring communities along its waterfront. Finally support for the Toronto-Niagara bike train could be the catalyst for more bike tours in both regions.

### 3.0 Analysis of Existing Transportation Infrastructure and Impact on Tourism

This section explains the data methodology on transportation infrastructure connectivity and how it affects access in and between Ontario’s tourism regions. The province of Ontario is divided into twelve tourism regions. Figure 1 below maps the regions. Figure 2 shows Ontario’s major transportation network and connections with neighbouring states and provinces.
Figure 1: Map of Ontario’s Tourism Regions
The transportation modes considered in this analysis include automobile, bus, train and airplane. Travel data were collected on the modal choice of transportation, frequency duration and ticket fare.

Information on other modes, such as waterways and smaller municipal airports, is collected in the surveys done in the first part of this paper found in Section 3: Needs-Based Gap Analysis on tourism infrastructure. Tables 20-23 in Appendix E-III show the data collected.
3.1 Data Collection Methodology

3.1.1 Travel Data

Duration of travel, fare and number of trips per day between 12 Ontario cities (one in each of the tourism regions) was gathered for four modes of transportation:

3. Air:  www.aircanada.ca, and various regional airlines (listed in Appendix E-III); and

Rail

In the analysis of rail infrastructure, we have collected data on regular passenger rail service provided by VIA Rail Canada to analyze the connectivity between regions in Ontario.

*Figure 3: Via Rail Operations Map in Ontario*  


Toronto, is Ontario’s railroad gateway, centrally located in the Québec City-Windsor corridor. Via trains travel to and from Toronto, Ottawa, Montréal, Québec City, Niagara Falls, Windsor, London, Kingston and Sarnia.

The Bike Train is a new (2007) initiative that encourages low impact tourism and

\(^{39}\) http://www.mto.gov.on.ca/english/traveller/map/
healthy lifestyles. This service combines two sustainable modes of transportation - bikes and trains - moving passengers between Toronto and Niagara on a seasonal schedule.

Toronto is also the departure and arrival point for all transcontinental trains traveling west across the county; it marks the beginning of the Canadian train's route traveling through Jasper and the Rockies to Vancouver.

Via also has service to the northeast on its Sudbury-White River train.

In addition to Via, passenger rail service is also provided by Ontario Northland Railway. The Ontario Northland Railway provides transportation option for people traveling between Toronto, Cochrane, Moosonee, and various points along the way. The two major cities with the provision of passenger services are North Bay and Toronto.

The Northland Ontario provides one regular service per day from North Bay to Toronto (and vice versa). On the 19th of November, the Ontario Northland website noted that train service has been replaced by bus service between Toronto and North Bay due to operational difficulties. The regular Northland train service was still operating between North Bay and Cochrane.

There is an Ontario Northland route that connects Northern and Southern Ontario between Cochrane and Toronto along the Highway 11 corridor. This service goes through the Central Ontario tourist region.

The passenger rail service provided by Ontario Northland Rail does not provide full coverage inter-city transportation service between major tourist areas in the Northern Ontario.

There are other short rail lines in Ontario that may be tourist attractions but are not transportation options.

GO Transit offers bus and train commuter service linking Toronto to Hamilton in the West, Oshawa in the East, Barrie in the North, Milton and Georgetown to the North-West and Richmond Hill and Lincolnville (Stouffville) in the North-East. Of GO’s service, the GO bus service to Toronto Pearson Airport is most likely to be used by tourists. Other GO services are oriented to commuters and are not likely to be used by tourists.

A Toronto rail link between downtown Union Station and Pearson International airport is in the Metrolinx Regional Transportation Plan but there has been much controversy over it. Plans have called for diesel trains and these have been rejected by local residents because of the pollution. A direct high speed rail proposal has
likewise run into opposition because it would not stop in neighbourhoods along the way and therefore not act as local transit as well as an airport link.

**Bus**

In addition, Ontario Northland provides coach services that provide scheduled service between Toronto and Hearst, along the Highway 11 corridor which passes through North Bay and Cochrane, and along the Highway 69 corridor, which passes through Sudbury and Timmins.\(^{42}\)

The other bus service provider for inter-city transportation is Coach Canada. With respect to the main population centers identified for regions in Ontario, Coach Canada provides services only to three main centers, namely: TR 7- St. Lawrence Corridor: Kingston, TR5- Toronto and Area: Toronto and TR3- Niagara Region: Niagara Falls. These service areas are also covered by Greyhound.\(^{43}\)

In Ontario, Gray Line offers tourist bus tours of Toronto, Ottawa, and Niagara.

Greyhound Canada and Hostelling International – Canada signed a new strategic partnership agreement in August 2008. The two parties have been working together for many years, and the revised accord is the result of an effort to strengthen their presence in the youth travel market.

**Road**

In general roads cover most of Ontario. The major highways are listed in the table below. “Up to 90 percent of inter-city passenger travel in Ontario is by road.”\(^{44}\)

<table>
<thead>
<tr>
<th>Highway/Road Route</th>
<th>Regions Serviced</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>Toronto and Region, Central Ontario</td>
</tr>
<tr>
<td>401</td>
<td>Essex, Southwestern Ontario, South-central Ontario, Toronto and Region, Central Ontario, St. Lawrence Corridor</td>
</tr>
<tr>
<td>402</td>
<td>London to Sarnia</td>
</tr>
<tr>
<td>403</td>
<td>Southwestern Ontario, South-central Ontario, Toronto and Region</td>
</tr>
<tr>
<td>416</td>
<td>St. Lawrence Corridor, Eastern Ontario, Ottawa Region</td>
</tr>
<tr>
<td>417</td>
<td>Eastern Ontario, Ottawa Region</td>
</tr>
<tr>
<td>QEW</td>
<td>Niagara Region, South-central Ontario, Toronto and Region</td>
</tr>
<tr>
<td>Trans-Canada Highway (17)</td>
<td>Northwest, Northeast, North Central, Eastern Ontario, Ottawa Region</td>
</tr>
<tr>
<td>11</td>
<td>From Highway 400 in Barrie across northern Ontario, around Lake Superior, to the Ontario/Minnesota border at Rainy River.</td>
</tr>
<tr>
<td>69</td>
<td>Major north-south highway in Central and Northern Ontario, linking Sudbury (Highway 17) with Highway 400 in Parry Sound.</td>
</tr>
</tbody>
</table>

\(^{43}\) In total, about twenty bus lines provide services between most communities in Ontario.
The availability of auto travel between regions can be determined by estimating the capacity of automobile travel on the highways/roads that accommodate inter-regional Ontario travel. The current road network does not provide an unlimited number of potential passengers. Road congestion will ultimately cap the number of automobiles that can travel from region X to region Y. For this study, congestion has not yet been incorporated. Appendix E-III has two suggested approaches to estimating and incorporating road congestion into the framework of this study.

Air

As well as Air Canada, there are other airline service providers in Ontario that provide regional air transportation to remote areas and communities. The province has a network of regional and national airlines serving travelers to and within the province.

Bearskin Lake Air Services is one example that serves several tourist regions in Ontario.

Service Area: TR12: Northwest - Kenora
TR4: South-central - Kitchener/Waterloo
TR10: North-central - North Bay
TR8: Ottawa Region - Ottawa
TR11: North-East - Sudbury
TR12: North-West - Thunder Bay

“Over 50 international airlines land at Ontario's main international air gateway, Toronto's Toronto Pearson International Airport. … More limited international traffic serves airports at the cities of Ottawa, Windsor, and London… There are also local airports in over 50 of Ontario's smaller communities.”

Charter and fly-in shuttle air service is available in many remote areas and may be part of a travel package to northern hunting and fishing camps. “Air transportation plays an integral role for many remote northern communities that do not have year-round road or rail access. There are 52 municipal and remote airports in Northern Ontario, more than in the rest of Ontario combined. Thunder Bay and Sudbury are the main regional airports, with Thunder Bay’s international airport being the third busiest in Ontario. However, for most of these airports, their main role in the North is the movement of essential goods and services to remote communities that do not have year-round, or any, surface transportation. Sioux Lookout also provides an important hub for travel to the more remote areas of Northwestern Ontario.”

44 http://www.mndm.gov.on.ca/nordev/documents/sector_profiles/infrastructure_e.pdf
45 http://www.2ontario.com/traveltips/tips2.asp
Airports provide a crucial link to northern Ontario. The figure below shows the airports in Northern Ontario, a complete list of Ontario airports can be found in The Canada Flight Supplement published by NAV Canada. Also there is a list of Air Carriers in Ontario in Appendix E-III – Ontario Tourism - Transportation Connectivity Data.

**Figure 5: Airports in Northern Ontario**

There is a list of other airlines that provide regular, non-charter, service operating in Ontario in Appendix E-III. Also listed are the areas in which service is provided.

**Ferries and Waterways**

The following ferry lines operate in Ontario:

- Chi Cheemaun, which runs between Tobermory and South Baymouth on Manitoulin Island;
- Glenora, which connects Glenora and Adolphustown in Eastern Ontario;
- Pelee Island Ferry, running between Leamington or Kingsville and Pelee Island in Southern Ontario;
- Toronto Islands, which departs from the downtown Toronto docks and

---

47 [http://www.navcanada.ca/NavCanada.asp?Content=ContentDefinitionFiles/Publications/AeronauticalInfoProducts/Publications/CFS/default.xml](http://www.navcanada.ca/NavCanada.asp?Content=ContentDefinitionFiles/Publications/AeronauticalInfoProducts/Publications/CFS/default.xml)

48 Ibid
services the Toronto Islands;

These ferries are destinations or attractions rather than a major part of Ontario’s transportation system. Also many cruises and water tours are offered on lakes and rivers around Ontario.

**Transit**

Toronto is served by the Toronto Transit Commission (TTC) network of subways, streetcars, light rail transit lines, and suburban (GO) train lines and bus routes. The Greater Toronto and Hamilton Area is served by Mississauga Transit, Viva (York Region), Brampton Transit, Halton Transit, Hamilton Transit, and Durham Regional Transit.

Smaller Ontario municipalities, regions, and cities run transit operations such as OC Transpo in Ottawa and London Transit.

### 3.2 Literature Review

The relationship between transport and domestic tourism is an important one as transportation infrastructure is both the cause of, and the effect of growth of, tourism. Innovation in different modes of transportation and improvements to transportation facilities has stimulated tourism. Likewise, the expansion of tourism has stimulated transportation development. As Duval\(^49\) noted, externalities that affect the viability of tourism at varying spatial levels (e.g. attractions, destinations, regions, global) can have flow-on effects to transportation. As well, externalities that affect transport provision can affect tourism demand and tourism development.

Transportation is the means by which mobility is achieved. However, not much literature has directly quantified the impact of transportation infrastructure on tourism. A few papers on the topic identify the importance of transportation networks in determining the attractiveness of destinations to tourists. Khadaroo and Seetanah\(^50\) used the gravity model approach to assess the impact of transportation infrastructure using the proxies for road, air, and port\(^51\) on international tourism. They concluded that transport infrastructure is a significant determinant of tourism inflows into a destination. We explore this in more detail below.

---


\(^{51}\) The three proxies as defined in the study: the length of paved roads divided by the size of the country (road), the total number of terminals in international airports (port), in each country, the total number of terminals in international airports in each country (air).
Prideaux\textsuperscript{52} used a transportation cost model to identify the significance of infrastructure as a factor in destination development and in the selection of destinations by tourists. He highlighted in his conclusion the importance of distance from origin to destination as a determinant factor of mode of transport used to travel to the destination. In determining the importance of transportation access costs in the destination selection decisions, the major factors noted are fare costs, travel time and the distance traveled.

While there is no literature suggesting that road congestion deters tourists from traveling to any Ontario tourist region, this may be becoming an issue. HDR was recently commissioned by Metrolinx to calculate the cost of congestion in the Greater Toronto and Hamilton Area (GTHA).

The quality of life in the Greater Toronto and Hamilton Area (GTHA), the competitiveness of the region’s industrial and tourist base and the ability to attract and sustain business and tourism, all hinge on the provision of safe, fast, reliable and convenient roads, bridges and public transit.

Economic growth brings with it some congestion during busy times. Up to a point, crowds and queues signal mobility, prosperity and economic health. Tourists are drawn to a bustling, vibrant city.

It would not be economically sensible to expand transportation infrastructure to operate with zero congestion at all times of the day and the year -- the economic benefits would not justify the economic costs. But beyond a certain level of congestion, its attendant costs -- costs that arise in the form of delay, diminished productivity, wasted energy, environmental degradation, a diminished standard of living -- surpass the benefits and threaten the region’s viability as a decent place to live, visit and conduct business.

In 2006 alone, the economic burden of congestion in the GTHA amounted to $3.3 billion for commuters and $2.7 billion in lost opportunities for economic expansion. These economic, social and environmental costs will more than double over the next quarter century, if the congestion from which they arise remains unattended.

Comparing the cost with studies HDR has done for other North American cities confirms that the GTHA has traffic congestion problems on par with New York and Chicago. The table below provides a summary of the results of three separate studies concerning the cost of congestion in large North American cities. It should be noted that the results between the three regions are not directly comparable due to methodological differences in the studies and differences in certain assumptions and input values. Nevertheless, it is apparent that the costs of congestion in the three

\textsuperscript{52} Prideaux, Bruce. \textit{The role of the transport system in destination development}, Tourism Management, 21(53-63) 2000.
regions are of a similar order of magnitude once adjusting for the relative population size of the region.

Table 2: Comparison of HDR Cost of Road Congestion Studies

<table>
<thead>
<tr>
<th>Study Region</th>
<th>NEW YORK</th>
<th>CHICAGO</th>
<th>GTHA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YEAR OF ANALYSIS (DATA)</strong></td>
<td>2005</td>
<td>2005</td>
<td>2006</td>
</tr>
<tr>
<td><strong>Analysis timeframe</strong></td>
<td>Daily traffic, 260 days per year</td>
<td>Peak period traffic, 260 days per year</td>
<td>AM + PM peak period traffic, 260 days per year</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>12 million</td>
<td>8 million</td>
<td>6 million</td>
</tr>
<tr>
<td><strong>Costs included in the analysis</strong></td>
<td>Time, productivity, vehicle operating costs</td>
<td>Time, fuel, productivity, environmental</td>
<td>Time (including reliability), productivity, vehicle operating costs, accidents, environmental</td>
</tr>
<tr>
<td><strong>Total cost of congestion</strong></td>
<td>$11 billion</td>
<td>$7.3 billion</td>
<td>$6 billion</td>
</tr>
<tr>
<td><strong>Annual cost to commuters</strong></td>
<td>$7 billion</td>
<td>$6.2 billion</td>
<td>$3.3 billion</td>
</tr>
<tr>
<td><strong>Annual cost to the economy (productivity)</strong></td>
<td>$4 billion</td>
<td>$1 billion</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td><strong>Annual cost to the freight industry</strong></td>
<td>Not included</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td><strong>Annual cost of total excess congestion, per capita</strong></td>
<td>$917</td>
<td>$912</td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>Increase in peak travel time as a result of congested traffic conditions</strong></td>
<td>13%</td>
<td>22%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Lost time per week for average driver</strong></td>
<td>52.5 minutes/week</td>
<td>66 minutes/week</td>
<td>57.5 minutes/week</td>
</tr>
<tr>
<td><strong>Monetary value of excess travel delay per commuter</strong></td>
<td>$1229 per year per commuter</td>
<td>$1544 per year per commuter</td>
<td>$1346 per year per commuter</td>
</tr>
<tr>
<td><strong>Number of jobs region loses due to congestion</strong></td>
<td>51,515</td>
<td>87,000</td>
<td>42,000</td>
</tr>
</tbody>
</table>

Metrolix has developed a Draft Regional Transportation Plan in response to the challenges posed by mounting congestion. Comprising a 25-year program of investments in roadways, bridges and public transit, the Plan posts estimated capital costs of $48 billion (in constant 2006 dollars) plus another $12 billion to operate the new infrastructure and keep the facilities and equipment in a state of good repair. The Plan’s economic, safety, community, social, and environmental benefits are greater still, fully justifying the investment with an average annual rate of return of almost 20%.

The Metrolinx Draft (and as of November 28th 2008, the final) Regional Transportation Plan offers the Province a win-win proposition – an economically worthwhile investment for the long-term and the prospect of significant near-term

---

53 Partnership for New York City, “The Economic Costs of Congestion in the New York City Region” (study conducted by HDR|Decision Economics). Metropolitan Planning Council “Moving at the Speed of Congestion: The True Costs of Traffic in the Chicago Metropolitan Area” (study conducted by HDR|Decision Economics)

54 Assuming equal value of time across regions, where the value is that of the GTHA study
redress in the region’s and Province’s diminished economic fortunes. If one accepts the premise that excess road congestion affects tourism, investments such as those proposed by Metrolinx that reduce congestion above the tipping point should be supported.

Transit investments are typically evaluated based on a cost-benefit analysis. HDR developed for Transport Canada the TransDEC model for evaluating transit investments. From the table below\textsuperscript{55} it can be noted that tourism is not explicitly considered.

<table>
<thead>
<tr>
<th>CATEGORY OF BENEFITS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME SAVINGS</td>
<td>Better and more reliable travel times; gains in productivity</td>
</tr>
<tr>
<td>AFFORDABLE MOBILITY</td>
<td>Cash savings to low income households for reallocation to housing, nutrition, childcare etc.</td>
</tr>
<tr>
<td>CROSS-SECTOR BENEFITS</td>
<td>Savings in social service agency budgets</td>
</tr>
<tr>
<td>SAVINGS IN VEHICLE AND SYSTEM OPERATING COSTS</td>
<td>Reduced outlays on fuel, oil, tires, maintenance and repairs and depreciation</td>
</tr>
<tr>
<td>SAFETY</td>
<td>Reduced fatalities, injuries, property damage</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>Reduced air pollution and greenhouse gas emissions</td>
</tr>
<tr>
<td>ECONOMIC DEVELOPMENT</td>
<td>Higher residential and commercial property values</td>
</tr>
</tbody>
</table>

Similarly highway investments typically use a cost benefit framework that also incorporates the value of time savings from the investment. HighwayDEC is a cost-benefit framework developed by HDR for Transport Canada. It was designed to measure, in real dollar terms, the four primary categories of benefits that result from highway projects:

- Travel time savings;
- Vehicle operating cost savings;
- Safety benefits (accident cost savings); and
- Emission reductions.

A framework is presented below that extend these transit and road decision support frameworks such that the time savings can be translated into tourism-related impacts.

3.3 Summary of Existing Transportation Infrastructure

Data on the existing transportation infrastructure by several modes of travel have been collected. Availability, frequency, duration, and cost have been recorded. This

information will be used to help explain tourist flows in Ontario and to identify any gaps in the transportation infrastructure.

Improvements to transportation facilities have stimulated tourism. Likewise, the expansion of tourism has stimulated transportation development. Externalities\textsuperscript{56} that affect the viability of tourism at varying spatial levels (e.g. attractions, destinations, regions, global) can have flow-on effects to transportation. As well, externalities that affect transport provision can affect tourism demand and tourism development. Congestion is one externality that may negatively affect tourism and in decisions about transportation investments it should be carefully considered.

Transit and highway decisions are often made using time savings as a key benefit against which to weigh the costs. Time is a valuable commodity to tourists, businesses and commuters alike. While the value of time may differ in different situations, the value of time savings will be important to tourists.

**Proposed Next Steps:** More cost-effective transportation access is good for the Province’s tourism industry. This paper gives a way of prioritizing projects from a tourism perspective. There are also opportunities to develop transportation options that add to the tourism connectivity and also act as attractions themselves.

- Marine travel along Ontario’s extensive system of waterways\textsuperscript{57} and between Great Lakes resorts could be supported. Development of Ontario’s waterfronts as tourism attractions identified in Section 3 of this Study will contribute to Great Lakes and waterways cruising.

While these transportation options could be analyzed using the proposed framework, their benefits to the Province as tourism attractions will not be adequately captured.

*Therefore, transportation options that are also tourist attractions should be dealt with outside of this framework.*

4.0 ANALYSIS OF INFRASTRUCTURE IMPEDIMENTS/GAPS

4.1 Assessing Intra Ontario Connectivity Travel (Supply Side Analysis)

This framework incorporates the availability of travel by four modes - car, bus, train and airplane. All regions in Ontario are accessible by car and bus from other regions in Ontario.

\textsuperscript{56} In economics, an externality is an impact on any party not directly involved in an economic decision. An externality occurs when an economic activity causes external costs or external benefits to third party stakeholders who did not directly affect the economic transaction.

\textsuperscript{57} Waterways and their urban waterfronts, as defined by the Lake Ontario and Erie shores, the Niagara River, Georgian Bay, Lake Simcoe and the Trent-Severn Waterway System and the Rideau Canal.
Connectivity by train and airplane between some regions is either lacking or has limited passenger travel (that is, has limited options or not frequent scheduled travel).

To determine whether these gaps are important or not one must look at the demand side, the flow of tourists that use these modes of transportation. Not all regions have good access. Tourists can only choose from options that are available. So demand in some cases is constrained by the available transportation supply. The demand side issue is dealt with later.

### 4.1.1 Summary of Connectivity and Gaps

All regions have bus and car connectivity. Air travel is available but it not as ubiquitous as bus coverage. Because of the capital costs involved, for rail there is only one major, one specialized northern railroad and one southern Ontario rail line. There are many small airlines offering inter- and intra-regional flights as well as charter services.

#### Table 4: Summary of Ontario Tourist Connectivity by Mode

<table>
<thead>
<tr>
<th>Mode</th>
<th>Frequency (Trips Per day)</th>
<th>Duration (Time of Travel in Hours)</th>
<th>Price ($)</th>
<th>Access* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Train</td>
<td>Min:1 Max:12 Avg: 2.94</td>
<td>Min: 0.6 Max: 11.5 Avg: 4.9</td>
<td>Min: 21 Max: 221.55 Avg: 100.32</td>
<td>45%</td>
</tr>
<tr>
<td>Plane</td>
<td>Min: 1 Max: 16 Avg: 6.12</td>
<td>Min: 0.7 Max: 5.75 Avg: 3.30</td>
<td>Min: 94.15 Max: 984.21 Avg: 329.04</td>
<td>47%</td>
</tr>
<tr>
<td>Bus</td>
<td>Min: 1 Max: 33 Avg: 4.0</td>
<td>Min: 1 Max: 29 Avg: 10.0</td>
<td>Min: 18.4 Max: 237.35 Avg: 104.18</td>
<td>100%</td>
</tr>
<tr>
<td>Car</td>
<td>Unlimited</td>
<td>Min: 1 Max: 29 Avg: 11.0</td>
<td>Min: 23.0 Max: 575.1 Avg: 172.4**</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Access is defined as how often a mode of travel is available between major centres in the travel regions. There are 132 origin and destination pairs considered in this analysis. If 59 origin-destination pairs out of a possible 132 have service, then the access is 45% (59/132).

** It should be noted that for car travel the cost is the generalized cost of travel and not the price. As such it is not directly comparable to the ticket prices shown for bus, rail, and air. The generalized cost of travel is explained in Section 5.1.

From the above summary it can be noted that:

- Plane frequency is more than twice that of trains and buses run more frequently than trains.
- The train takes, on average, 48% more time than flying whereas the bus takes three times longer than flying.
- The train is on average cheaper than other modes (comparing train ticket prices with the generalized cost of car travel and ticket prices of other
modes), but this is due to its restricted range within the Province.

- When comparing all of the possible origin-destination pairs planes and trains each cover less than half of the Province’s tourism regions whereas the bus network (Greyhound, Canada Coach, and Ontario Northlands) and roads give full coverage.

**Frequency:** The frequency of transportation is most lacking for rail and air services. Some regions - South-western Ontario, Toronto and Area, Niagara Region, Central Ontario and Ottawa region have a high frequency of buses per day that can move tourists between the regions. Other regions on average do have at least one type of service for traveling between regions.

**Duration:** On average, the travel time on the bus takes longer than other modes when going from other regions in Ontario to the Northern regions in Ontario and vice versa. The time of travel on an airplane is on average an hour for short distances and about five hours for long distances. The trip duration when traveling by train is between two and five hours for short distances. When traveling to regions at close proximity duration is less than an hour. On average, the duration for long distance traveling on the train is between seven and eleven hours.

**Cost (ticket price):** In terms of cost, traveling by air is the most expensive. On average, it will cost at least a hundred dollars to travel by air within Ontario. The price of ticket for a bus or train trip with an average distance between two to five hours is between twenty to fifty dollars. The cost of long distance travel on a bus or train is least a hundred dollars.

**Road Gaps:** Congestion is the biggest problem with road travel. In 2006, the economic burden of congestion in the GTHA amounted to $6 billion for commuters and lost opportunities for economic expansion. These economic, social and environmental costs will more than double over the next quarter century if the congestion from which they arise remains unattended.

One way of addressing congestion is through more roads. Few agree that this is a viable long-term solution. Tolls are one solution but are not politically popular in Ontario. Traffic demand management will also contribute to the answer but will not be the solution in and of itself. While there is some agreement that investment in transit and other public transport options will alleviate congestion, there appears to be little appetite for funding such options. Metrolinx has requested funds from the federal and provincial governments for its plan. The Canadian Urban Transit

---

58 Of the $60 billion needed, $7-billion is needed in the first five years — including $496-million in 2009. The province has committed $17-billion to transit through its MoveOntario 2020 fund, including $11.5 billion for the Metrolinx strategy. Metrolinx is still awaiting word from Ottawa on the $6 billion it has requested in federal funding. After the $11.5 billion is exhausted, there is no more committed funding.
Association has similarly called on government to fund a second-best solution (the best solution being a politically unpalatable set of road tolls). The Province has called for more intensification through its growth strategy but the funding issue for new transportation infrastructure is becoming a sticking point for discussions between the regions and municipalities and the Province.

Other congestion is more difficult to assess without detailed traffic modeling, however highway 400 is a bottleneck during peak weekend travel from Toronto to Central Ontario. Vehicles per kilometre has risen every year and by, on average, 3% over the 1988-2004 period. Construction has started on the northern extension to highway 404 that will take some traffic from highway 400. Also the eastward extension of highway 407 is in the final stages of an environmental assessment. These road options are being questioned because they seem inconsistent with the intensification and less car-dependency called for in the growth plan.

**Rail Gaps:** Rail travel is limited in Ontario. In addition freight rail service too often enjoys priority over passenger rail service and many rail beds are not adequate for passenger travel. As freight rail activities have increased and trains have grown in length such that mechanical breakdowns and line blockages cause significant passenger train delays. VIA trains are obligated to yield the right of way for freight trains. Poor on-time performance undermines the appeal of passenger rail for travelers. VIA’s equipment, including aging passenger cars and locomotives make it difficult to provide a reliable, consistent service to customers.

Rail is not seen as reliable by tourists. “Almost half of Via Rail's passenger trains arrived late over the winter … One of the worst-performing routes is also one of the most popular — Toronto-Ottawa, where almost three-quarters of the trains arrived late in March.”

Also “moving by rail across the Canada/U.S. border is a major impediment to the development Canada/U.S. passenger rail service.”

VIA has a plan to change. Three examples are wine tastings on board, the Bike Train and a Spa package:

- VIA added a seasonal departure to the Toronto-Niagara Falls service from

---

59 In 2006, capital investment of $78.1 billion would have been required to bring the supply of transit into line with the optimal conditions of supply in that year.  
60 “Transportation planning in Ontario a cynic's delight” John Barber, The Globe and Mail, December 2, 2008  
64 Data is included in Appendix EIII.
June to September, and once again offered wine-tasting events on select departures.

- Also between Toronto and Niagara Falls, VIA piloted a Bike Train service discussed elsewhere in this document. Developed in partnership with the Niagara-on-the-Lake Chamber of Commerce, the City of Toronto, and the Ontario government, the service encouraged cyclists to bring their bicycles when visiting the region.
- Throughout Southern Ontario VIA partnered with eighteen Premier Spas, offering packages that included return train travel and shuttle transportation to and from their nearest VIA Rail station.

**Bus Gaps:** There are no real gaps in bus travel. Bus travel is viewed as a cheap, basic transportation option. Buses appeal to budget conscious travelers. Sometimes, other than driving, taking a bus is the only way to travel to (and from) smaller towns in Ontario.

**Air Gaps:** International agreements govern international air travel into Ontario. One of the main objectives of *Blue Sky: Canada’s New International Air Policy* is to provide a framework that encourages competition and the development of new and expanded international air services to benefit travelers, shippers, and the tourism and business sectors. In order to do that, Canada will proactively pursue opportunities to negotiate more liberalized agreements for international scheduled air transportation that will provide maximum opportunity for passenger and all-cargo services to be added according to market forces. Canada will seek to negotiate reciprocal “Open Skies”-type agreements, similar to the one negotiated with the U.S. in November 2005, where it is deemed to be in Canada’s overall interest. (Transport Canada: *Blue Sky: Canada’s New International Air Policy*)

Tourists visit the Province from all over the world. A list of all Ontario’s international tourists by country of residence, from the Canadian Tourism Commission, was compared to a list of Canadian Bilateral Air Agreements from Canadian Transport Agency to see whether there are any constraints on international travel.64

China does not have an international air agreement with Canada and 4% of non-U.S. tourists come from China (Table 25 in Appendix E-III). With the exception of China, every other visitor country of residence has an air agreement in place with Canada; however, not all countries provide access to Ontario (Table 25 in Appendix E-III).

- According to the latest Canadian Transportation Agency report65, there are several countries with air agreements that do not have routes in operation.

---

64 It is important to note that many of the Bilateral Air Agreements presented in the Canadian Transport Agency’s report are not up to date. For the majority of countries the latest information is for 2004. The latest information for Thailand, Norway and Sweden is 2000.
These countries include: Norway, Portugal, Sweden, Indonesia, Malaysia, and Thailand.

- Thailand and Portugal have access to Toronto should their routes become operational.
- Malaysia has air access to Canada should its route become operational however, only through Vancouver, not Toronto.
- Similarly, while Belgium and the Philippines do operate the air routes outlined in their air agreements with Canada, access to Canada is only provided through Montreal and Vancouver, respectively.
- Canadian access information was not provided for Norway, Sweden or Indonesia.

In order to expand international tourism in Ontario, some of the above mentioned air agreements could be modified in order to lift constraints on travel into the Toronto Airport.

- It is possible that Malaysia does not operate its routes to Vancouver because the demand does not warrant these flights. However, it is possible that increased demand from adding Toronto to the list of Canadian airports Malaysia is allowed access to would justify these routes becoming operational.
- Similarly, the Toronto airport could be added to the already operational Belgium and the Philippines air agreements.

4.2 Origins and Destinations of Tourists in Ontario (Demand Side Analysis)

The majority of tourists that travel to locations within Ontario are Ontario residents themselves (approximately 80%). Therefore, there is a need to have a clearer picture of the origins and destinations of domestic travelers in order to assess the flows of tourist.

The following set of six figures show the same information on tourist flows between regions (that is tourist flows by origin and destination). The data source is the Ontario Ministry of Tourism, Research Department.

The following figures, Figure 6 and 7, show total tourist flows by origin and destination superimposed on a map:
Figure 6: Visitor Flows to Tourism Regions
Figure 7: Visitor Flows from Tourism Regions

Visitor Flows from Tourism Regions

*Bar heights represent visits generated from within each tourism region. Bar components show travel destinations, i.e., where they go.
Figures 8 and 9 below show the percentage of tourists by origin and their preferred destinations. Also, the figures help identify key destinations.

**Figure 8: Tourism Visits – Origin of Tourists, as a Percentage of Total Visits to Each Region**

Person Visits to Ontario: Travel Region Visited by Travel Region of Origin, 2006 Total Person Visits

% Contribution of Visiting Regions (Origin)

Regions Visited (Destination)
Figure 9: Tourism Overnight Visits – Origin of Tourists, as a Percentage of Total Overnight Visits to Each Region

Persons Visit to Ontario: Travel Regions Visited by Region of Origin, 2006
Overnight Person Visits

% Contribution of Visiting Regions (Origin)

Regions Visited (Destination)
Figure 10: Intra-Ontario Tourists by Destination

Intra-Ontario Tourists by Origin

Number of Tourists (000's)

Region of Origin

Region not Specified

TR 99: Region not Specified

TR 10: North-Central

TR 12: North-West

TR 1: Essex

TR 9: Eastern Ontario

TR 8: Eastern Ontario

TR 7: S. Lawrence River Corridor

TR 6: South-Central Ontario

TR 5: Toronto and Region

TR 4: South-Central Ontario

TR 3: Niagara Region

Cumulative %

0% 20% 40% 60% 80% 100% 120%

Region of Origin

Cumulative %

Region of Origin

Toronto and Region

Central Ontario

South-Central Ontario

Southwestern Ontario

ST. Lawrence River Corridor

Eastern Ontario

North-East

Niagara Region

Essex

North-Central

North-West

Region not Specified

80%
The above graphs show that the most visited within-Ontario destinations are Central Ontario and Toronto. South-Central and Southwestern Ontario are the next most visited and then there is a sharp drop to Niagara tourists. Most tourists come from the same regions that tourists go to. In Appendix E-I – Ontario Tourism Regions and Flows graphs show the details of where the vast majority (80%) of each region’s tourists come from.

Central Ontario is the most popular tourist destination in Ontario. Other preferred destinations are: Toronto, South-Central Ontario and South-western Ontario. North-Central is least visited destination region.

The analysis of tourist flows in Ontario has shown that a large majority of tourism transportation is between Central Ontario, Toronto, South-Central Ontario and Southwestern Ontario. These regions, with Niagara (as a destination) make up 80% of the origin and destination of all Ontario tourist visits which themselves are 80% of all Ontario tourist visits.

That visitors head for Toronto and neighbouring regions (and Niagara) is important
for tourism transportation infrastructure.

While these flows can inform policy decisions, a richer dataset would break out the type of tourists (e.g., visiting friends and relatives and cottage trips) as these trips have different expenditure profiles.

Gaps exist in Ontario’s transportation network. Rail is the most obvious example although there are promising signs on the tourism front with access between Toronto and Niagara improving during the summer.

**Proposed Next Steps:** The analysis of tourist flows in Ontario has shown that the large majority is between Central Ontario, Toronto, South-Central Ontario and Southwestern Ontario. These regions, with Niagara make up 80% of the origin and destination of all Ontario tourist visits.

Tourist transportation infrastructure should be premised on attracting visitors to key destinations and on dispersing them to broader surrounding areas as well.

*The regions comprising the Primary Tourism Zone should be the focus for further tourism transportation infrastructure study. This research would build upon the framework presented here once the data becomes available to support it. Comparable years of tourism flows to and from the Primary Tourist Zone are expected soon from Statistics Canada. This will allow more detailed intra-regional infrastructure prioritization.*

4.3 The Demand Side Based on Tourists Preferred Mode of Transportation

Positioning transportation within the tourism system is useful in that it helps identify the mode of transport utilized by tourists from their origins to their destinations.

The selection of mode of transport consists of two elements: a practical one relating to forms of transport available and a perceptual one relating to the perceived costs and benefits of traveling on different forms of transportation.

Combinations of factors and features attract visitors to various modes of transport. The distance to be traveled and the cost per trip are major variables that determine the preference of one mode over another. In terms of cost, *prices* are the direct, perceived costs to users for selecting a mode of transportation. Although, the term is sometimes limited to monetary costs, it can also include non-monetary costs such as time, discomfort and risk. Factors such as discomfort and risk can be considered to affect travel time costs: a minute spent by travelers in comfort and safe conditions imposes less cost to consumers than the same minute spent in uncomfortable or unsafe conditions.

---

In many destination regions, the automobile provides the greatest flexibility in route choice, attraction selection, cost and time use. Data from the Canadian Travel Survey, Domestic Travel Report 1998-2004 show that for those years, the automobile was by far the most frequent mode of transportation for domestic travelers in Ontario. A number of factors such as short distances, ease of operation and low associated costs are frequently the reasons that motivate travelers to use private or rented vehicles. From the TAM Survey (2006) Canadian travelers who visited Northern Ontario valued accessibility by car more than other modes of transportation.

Air travel was the second-most popular mode of transportation for same-day and overnights travel. As well, domestic travelers use the bus more than they use the train as a mode of transportation.

4.4 Summary of Infrastructure Impediments / Gaps

In conclusion, while all of Ontario’s tourist regions are connected by roads and buses there are cases where there is a lack of multiple options available to tourists. Also rail, a more sustainable option, is not as available as auto travel and is currently not perceived as a reliable or desirable alternative.

In developing transportation projects, priority should be placed on modes of transportation that do not contribute to road congestion and can be incorporated into the tourist experience. Options such as high speed rail, marine and air travel and shuttle buses would be in this category. Also enhancement of Ontario’s trail network should be seen not only as product development, but as part of the solution to access.

In comparing the gaps identified here (transit and rail) with those identified in Section 3 of this report, there is much agreement. Interviews with tourism ministries stakeholders identified under access, signage as the main issue (with 9/12 regions mentioning it).

After signage the main gaps (more than one mention) identified were:

- Public transit
  - 6/12 regions listing it under expansion – regions Essex, Niagara Region, South-Central, Toronto and Area, Central Ontario, St. Lawrence and 2/12 under repair – North-East, North-West
  - Ottawa listed light rail
  - Highway expansion was only listed as a gap in the North-East, North-West regions with passing lanes getting a mention in Central region
- Rail link
  - 2/12 regions listing it under expansion – regions Central, St.


Canadian Travel Survey. 2004.
Lawrence, North-East, North-West and 1/12 under new product – Central
- Also Niagara listed GO train access as a gap and Toronto listed Union Station (which has been given renewed priority under the Metrolinx final plan)
- Active transportation
  - Central listed bike lanes and trails as a gap
- Marinas
  - 4/12 regions list marinas as a gap (3 repair – Central, North-East, North-West and 1 expansion – Niagara)

Passenger rail and transit investments are clustered where the population can support it. Similarly attractions correlate well with population. As such, attractions such as the Toronto Convention Centre; the Royal Ontario Museum; the Art Gallery of Ontario; Ontario Science Centre; the Hummingbird Centre; the Canadian Opera Company; the National Ballet of Canada; the St. Lawrence Centre; and Roy Thompson Hall need to be, and are accessible by public transit. Other attractions such as the McMichael Canadian Art Collection are beyond the reach of public transit and should be examined as a potential gap.

A rail link along the southern border of the province with spurs to Niagara and Ottawa covers 90% of the Province’s attractions.

A table of attractions by region is shown below.
Table 5: Attractions by Region

<table>
<thead>
<tr>
<th>Attractions and Agencies</th>
<th>Region 1</th>
<th>Region 2</th>
<th>Region 3</th>
<th>Region 4</th>
<th>Region 5</th>
<th>Region 6</th>
<th>Region 7</th>
<th>Region 8</th>
<th>Region 9</th>
<th>Region 10</th>
<th>Region 11</th>
<th>Region 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huonmia Historical Park</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort William Historical Park</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario Place</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lawrence Parks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niagara Parks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottawa Convention Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto Convention Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Ontario Museum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Art Gallery of Ontario</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario Science Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McMichael Canadian Art Collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Botanical Gardens</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science North</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Major Cultural Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Gallery of Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian Museum of Contemporary Photography</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Museum of Science and Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Arts Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian Museum of Nature</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hummingbird Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian Opera Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Ballet of Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lawrence Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roy Thompson Hall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Art Gallery of Hamilton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agnes Etherington Art Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Art Gallery of Windsor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario Agriculture Museum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stratford Festival</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shaw Festival</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>War Museum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Windsor to Cornwall corridor is the most densely-populated region of Canada. This area, when considered with Montreal, where a high-speed rail link would likely end, consists of over 16 million people, about half of Canada’s population. As identified above, the corridor already has most of the VIA Rail service. There have been proposals for a high-speed service, but most recently the Premiers of Ontario and Quebec announced a joint feasibility study into the development of high speed rail in the Quebec City-Windsor Corridor. The federal government has agreed to
participate in the study. 69

Tourists are increasingly concerned with the environmental impact of their travel choices. However, rail is not seen as a tourist choice for travel in the Primary Tourist Zone. Rail in the Southern Ontario corridor is unreliable. This is because Via rail has to share tracks with, and yield priority to, CN. Also the aging rolling stock is prone to break-down.

**Proposed Next Steps:** *Priority should be placed on modes of transportation that do not contribute to road congestion and can be incorporated into the tourist experience.*

The Metrolinx Draft Regional Transportation Plan offers the Province a win-win proposition – an economically worthwhile investment for the long-term and the prospect of significant near-term redress in the region’s and Province’s diminished economic fortunes. Other work suggests that excess road congestion affects commerce, including tourism, and as such, investments such as those proposed by Metrolinx that reduce congestion from above the tipping point should be supported.

Also, any other investment in transportation infrastructure (Transit City; MoveOntario 2020; Southern Highways Program) should reduce congestion (unless induced demand exceeds the added capacity) and as such should be supported.

A rail link along the southern border of the province with spurs to Niagara and Ottawa covers 90% of the Province’s attractions. Rail is a more environmentally friendly transportation option than automobile travel. It can also contribute to alleviating road congestion.

### 5.0 Tourism Access (Transportation) Infrastructure Framework

This section provides analysis on the cost-effectiveness of transportation investment as it pertains to enhancing tourist flows, tourism expenditures, and other economic benefits accruing from tourism. A framework will also be outlined that allows a prioritization of tourism/transportation investment subject to some budget constraint. 70

The focus is on investments that enhance the connectivity and availability of travel within the province of Ontario. This focus is justified on the basis that, as noted above, the far majority of tourists that travel to locations within Ontario are Ontario residents.

---


70 Given that governments do not have access to a limitless supply of funds, it is prudent to explicitly outline a methodology that can be utilized to prioritize investments.


themselves (approximately 80%) or are from the U.S. (13%). Moreover, a large portion of these U.S. tourists tend to live in Border States (Minnesota, Michigan, Ohio, Pennsylvania and New York). Appendix E-IV introduces some important concepts that will be used in the methodological framework. The most important is that tourist travel is inversely related to the generalized cost of travel. As the generalized cost of travel goes down tourism goes up (other things being constant).

5.1 The Generalized Cost of Travel and the Gravity Model

To calculate the generalized cost of travel for bus, train and airplane travel is relatively straightforward since only two costs need to be considered: (1) the fare price and the (2) value of travel time. For automobile travel, since the user also owns the transportation vehicle, depreciation, maintenance/repair, gasoline and oil costs also need to be considered.

An investment in transportation infrastructure should reduce the generalized cost of travel. This can be achieved any number of ways. For instance, the construction of an airport in a non-serviced area can greatly reduce the time it takes to travel between areas and therefore reduce the monetary value of the total travel time. Economic theory suggests that this would result in more trips, ceteris paribus.

Appendix E-IV discusses the mechanics of the gravity model in more detail. The gravity model can translate changes in the travel time into tourist flows. It is proposed that a gravity model, calibrated for tourist flows within Ontario, be used to translate transportation investments into additional trips.

5.2 Cost-effectiveness of Transportation Investment for Tourism

The benefits of transportation investment extend far beyond tourism. However, since the goal is to establish a framework that can be used to prioritize investments as they pertain to tourism only the effect the transportation investment will have on tourist flows will be considered. Investments will be prioritized based on their cost-effectiveness. In other words, transportation investments that can generate the highest amount of additional tourist trips or tourist expenditures on a per dollar basis will be favoured, subject to some budget constraint. It is possible to calculate economic benefits to the destination region using multiplier techniques that are widely used in the tourism literature.

---

71 As one example, transit investments can have significant effects on real estate prices that are close to transit stations. See Lewis, David and Williams, Fred L. Policy and Planning as Public Choice. Burlington: Ashgate Publishing Limited, 1999 pp. 223.

This does not necessarily imply that projects will be selected that produce benefits in excess of their total costs. It should be noted that apart from the initial transportation development costs, tourism in itself also imposes certain costs on recipient regions that would also need to be considered in a complete cost-benefit framework. For instance, tourism tends to disrupt social and environmental systems at destinations.\footnote{Liu, Juanita C., Johnson, Pauline J., and Var, Turgut. A Cross-National Approach to Determining Resident Perceptions of the Impact of Tourism on the Environment. Annals of Tourism Research 14, 1987 pp. 15.} Not considering these impacts may result in projects being selected that do not maximize the net social benefits given that the majority of these non-economic impacts tend to be negative.\footnote{Lindberg, Kreg and Johnson, Rebecca L. The Economic Values of Tourism’s Social Impacts. Annals of Tourism Research 24(1), 1997 pp. 91.}

Another important consideration is the potential regional cannibalization of tourist flows. A transportation investment from region X to region Y can result in additional trips being undertaken. It could be the case that these additional flows come from individuals that would not have otherwise traveled or that these additional trips are undertaken by tourists that would have traveled to other destinations in Ontario. The latter case represents that cannibalization of tourist flows: the transportation investment diverts travelers from one destination to another destination. Not considering these two effects (negative impacts of tourism and the regional cannibalization of tourist flows) will result in an overestimation of the net social benefits. Due to the difficulties and uncertainty in estimating these effects, it is proposed that a cost-effectiveness approach be used to prioritize transportation investments.

As mentioned in the introductory paragraph of this section, it is possible to translate tourist expenditures into earnings via the use of earnings multipliers. Earnings multipliers measure the degree to which tourism expenditures get re-circulated within the local economy. Clearly, an influx of tourists in one region will have economic effects that are in excess of the dollars spent by the tourist. The development of a tourist industry in a region creates additional jobs that are related and unrelated to the specific tourist attraction. For example, retail stores, restaurants and other hospitality businesses are revenue creating agents that not only derive income from the tourist but also produce jobs, which in turn support other businesses. This recursive process is what multipliers attempt to estimate. The figure below outlines this calculation and depicts two of the factors that determine the size of the earnings multiplier: the size of the local/regional economy and the inter-industrial linkages within the region.

For the framework suggested, we suggest using GDP as the measure of impact. If multiple measures, such as job, GDP, income etc. are used these may involve double-counting.

More information on the multiplier approach to estimating tourism impacts can be found in Appendix E-IV.
5.3 Application of the Framework to Develop Priorities

An initial, example, list of transportation priorities, using a tourism lens, can be produced by taking the product of the estimated gravity model elasticities by mode and region and the TREIM multipliers by region. It should be emphasized that this is a sample list since projects in different regions will likely have different costs and different impacts of travel time or more generally, the generalized cost of travel. In the next section this is addressed and an example is given of how to prioritize different investments, differing effects on travel time, in different regions.

From the TREIM’s model, Ottawa and then Toronto have the highest multipliers (highest impact for each dollar spent by tourists). This is probably due to the fact that being home to larger cities there are more opportunities for re-circulation and spending of income in the region. Central and Eastern region have the lowest multipliers, perhaps because these are popular cottage regions and therefore there are lots of “leakages” from the region.

Prioritization of Transportation Investment

The following diagram outlines the process that is used to prioritize specific transportation investments. Transportation investments are prioritized based on their estimated GDP impact as a result of increased tourist expenditures. Number references are listed in the diagram below which will help to ease the explanation of the methodology used to prioritize transportation investment. These steps in the process will be explained in detail.
Figure 12: Process to Prioritize Tourism Transportation Investments

(1) Percent increase in tourist trips due to decrease in the generalized cost of travel

For the purposes of prioritizing transportation investments, it is necessary to assume a decrease in the generalized cost of travel. It is assumed that a transportation investment will decrease the generalized cost of travel to each region by 1%. This means that the generalized cost of travel will decrease for each region from all other regions by 1%.
travel regions by the specified amount.

Using the gravity model elasticity estimates the assumed decrease in the generalized cost of travel can be translated into a percent increase in tourist trips for each travel region and for each travel mode. This is the first step in the prioritization methodology.

(2) Increase in tourist trips due to decrease in the generalized cost of travel

In step 1 a percent increase in tourist trips was ascertained from an assumed decrease in the generalized cost of travel. Using existing levels of tourist expenditures, the actual increase in tourist trips can be determined. Table 6 below outlines the baseline number of trips for each region (this only counts intra-Ontario travel).

Table 6: Baseline Number of Tourist Trips (Millions), by Travel Region

<table>
<thead>
<tr>
<th>Travel Region</th>
<th>Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>0.8</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>5.1</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>4.5</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>7.2</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>12.4</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>13.0</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>2.7</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>3.2</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>2.7</td>
</tr>
<tr>
<td>North-Central</td>
<td>0.9</td>
</tr>
<tr>
<td>North-East</td>
<td>1.8</td>
</tr>
<tr>
<td>North-West</td>
<td>0.1</td>
</tr>
</tbody>
</table>

The following table displays the increase in tourist trips as a result of decrease in the generalized cost of travel for each travel mode. It is important to note that these estimates are not additive across travel modes. This is because the use of the elasticity parameters assumes that all other variables that are known to affect tourist trips do not change. This is clearly an unrealistic assumption. However, in order to prioritize investments this is appropriate.
Table 7: Increase in Tourist Expenditures (Millions) due to 1% Decrease in the Generalized Cost of Travel from all other Travel Regions, by Travel Region

<table>
<thead>
<tr>
<th>Travel Region</th>
<th>Auto</th>
<th>Bus</th>
<th>Rail</th>
<th>Air</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>$1.9</td>
<td>$2.1</td>
<td>$2.6</td>
<td>$1.1</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>$8.4</td>
<td>$9.4</td>
<td>$11.0</td>
<td>$4.4</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>$11.9</td>
<td>$12.2</td>
<td>$15.4</td>
<td>N/A</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>$10.0</td>
<td>$8.3</td>
<td>$9.3</td>
<td>N/A</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>$26.4</td>
<td>$21.2</td>
<td>$17.2</td>
<td>$10.3</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>$23.1</td>
<td>$23.2</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>$5.4</td>
<td>$4.8</td>
<td>$6.7</td>
<td>$3.4</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>$9.6</td>
<td>$10.4</td>
<td>$12.4</td>
<td>$4.8</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>$3.0</td>
<td>$2.7</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>North-Central</td>
<td>$2.6</td>
<td>N/A</td>
<td>N/A</td>
<td>$1.7</td>
</tr>
<tr>
<td>North-East</td>
<td>$5.5</td>
<td>N/A</td>
<td>N/A</td>
<td>$3.2</td>
</tr>
<tr>
<td>North-West</td>
<td>$0.3</td>
<td>$1.6</td>
<td>N/A</td>
<td>$0.3</td>
</tr>
</tbody>
</table>

(4) Regional economic impact of increased tourist expenditures

In this final step the increased tourist expenditures are translated into a regional GDP contribution. Tourism expenditures-to-GDP multipliers are obtained from the Ministry of Tourism’s Tourism Regional Economic Impact Model (TREIM) and are listed below for each travel region.

Table 8: Tourism Expenditures-to-GDP Multipliers, by Travel Region

<table>
<thead>
<tr>
<th>Travel Region</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>0.58</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>0.59</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>0.59</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>0.57</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>0.59</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>0.67</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>0.59</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>0.69</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>0.57</td>
</tr>
<tr>
<td>North-Central</td>
<td>0.59</td>
</tr>
<tr>
<td>North-East</td>
<td>0.60</td>
</tr>
<tr>
<td>North-West</td>
<td>0.59</td>
</tr>
</tbody>
</table>

Based on the outlined methodology the top ten transportation investments from a tourism perspective are outlined below. The travel region, travel mode and estimated economic benefit are all listed in the following table.

---

77 Some regions do not have access or consistent access for each travel mode. N/A refers to these regions and modes.
Table 9: Top Ten Priorities for Transportation Investment based on the Estimated Regional Economic Impact

<table>
<thead>
<tr>
<th>Rank</th>
<th>Travel Region</th>
<th>Travel Mode</th>
<th>Estimated Regional Impact (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Toronto and Area</td>
<td>Auto</td>
<td>$15.6</td>
</tr>
<tr>
<td>2</td>
<td>Central Ontario</td>
<td>Bus</td>
<td>$15.6</td>
</tr>
<tr>
<td>3</td>
<td>Central Ontario</td>
<td>Auto</td>
<td>$15.5</td>
</tr>
<tr>
<td>4</td>
<td>Toronto and Area</td>
<td>Bus</td>
<td>$12.5</td>
</tr>
<tr>
<td>5</td>
<td>Toronto and Area</td>
<td>Rail</td>
<td>$10.2</td>
</tr>
<tr>
<td>6</td>
<td>Niagara Region</td>
<td>Rail</td>
<td>$9.1</td>
</tr>
<tr>
<td>7</td>
<td>Ottawa Region</td>
<td>Rail</td>
<td>$8.6</td>
</tr>
<tr>
<td>8</td>
<td>Niagara Region</td>
<td>Bus</td>
<td>$7.2</td>
</tr>
<tr>
<td>9</td>
<td>Ottawa Region</td>
<td>Bus</td>
<td>$7.2</td>
</tr>
<tr>
<td>10</td>
<td>Niagara Region</td>
<td>Auto</td>
<td>$7.0</td>
</tr>
</tbody>
</table>

The results suggest that from the perspective of tourism regional impacts focusing investments in Toronto and Area and Central Ontario will yield the highest benefits (in terms of regional economic impacts). The top ten list also suggests that investments should flow to auto, bus and rail transportation modes.

Once again, this ranking does not consider the costs or benefits (in terms of reduced travel time) of proposed projects. Also not included in this example ranking are congestion costs. Inclusion of these factors would increase the travel time for car and bus and therefore lower them in the ranking. The cost-effectiveness ratio methodology presented below takes account of these components of the framework. An example of comparing investments of differing amounts in three modes of transportation in three tourism regions is also provided.

5.4 Summary of Methodology to Calculate Cost-effectiveness Ratios

Cost-effectiveness ratios will be used to prioritize transportation investments. It is acknowledged that the benefits (and costs) of transportation investments extend beyond additional tourist flows. However, the goal is to prioritize investments based on their potential impact on tourism (the following section discusses this in more detail).

A transportation investment will decrease the generalized cost of travel. This decrease, using the calibrated gravity models, can be translated into additional tourist flows. Using the tourist earnings multipliers, additional tourism expenditures that are generated because of more trips being initiated are converted into total earnings due to tourism expenditures. As has been discussed, the tourism earnings multipliers depend on the degree to which tourism expenditures are re-circulated within the destination region. Dividing the total regional tourism earnings by the initial investment will yield the cost-effectiveness ratios, which are used to prioritize investments.

The following figure diagrammatically outlines the proposed methodology to calculate...
the cost-effectiveness ratios that will be used to prioritize transportation investments.

**Figure 13 - Calculation of Cost-effectiveness Ratios**
5.5 Example Use of the Framework

This section outlines the steps to follow in order to compare competing projects and decide which to support. In this example, transportation investment can be made in one of following three projects. These three examples are chosen from the top three destinations in the Primary Tourist Zone: Toronto and Area, Central Ontario, and Southwestern Ontario:

- Project A: Road investment in Central Ontario, an investment of $2 million
- Project B: Air investment in the Toronto and Area Region, an investment of $4 million
- Project C: Rail investment in Southwestern Ontario, an investment of $5 million

In order to determine which project to support a cost-effectiveness ratio is calculated for each project. This allows each of these transportation investments to be compared on an equal footing and prioritized based on their potential impact on tourism.

The goal of these transportation investments may be different but they will all probably affect the generalized cost of travel to and from each of the above regions. This can be done in several different ways including increasing time savings and/or decreasing direct or indirect costs such as ticket prices or insurance.

For example, the road investment could be used to construct an additional lane on a particular road which would decrease congestion on that road. Decreased congestion means that travel time between origin and destination is reduced. This would result in time savings which contributes to the decrease in the generalized cost of travel.

Similarly, the investment in air transportation could be used to purchase new airport security scanners that would expedite passenger security inspection. This would reduce the amount of time spent clearing security at the airport which would translate into less wait time at the airport which results in time savings. Again, this time savings contributes to a decrease in the generalized cost of travel.

In addition to using transportation investment to increase time savings, investment can also be used to decrease the costs associated with travel. For example, rail investment could be used to provide a fare subsidy which would decrease ticket prices for travelers, thus reducing their generalized cost of travel.

It is assumed that the above investments in road, air and rail transportation lead to decreases in generalized cost of travel of 2%, 5% and 7% respectively.

Using these assumptions, the estimated gravity model parameters estimated above, the Ministry’s data on recent tourism flows, and TREIM model, cost-effectiveness ratios can be calculated for each of the above transportation investments.
The steps for this calculation, presented diagrammatically in Figure 13, are presented mathematically in the following table.

**Table 10: Calculation of Cost-Effectiveness Ratios, An Illustration**

<table>
<thead>
<tr>
<th>Row #</th>
<th>Example</th>
<th>Road Investment in Central Ontario</th>
<th>Air Investment in Toronto and Area</th>
<th>Rail Investment in Southwestern Ontario</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Investment</td>
<td>$2,000,000</td>
<td>$4,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>B</td>
<td>Decrease in Generalized Cost of Travel (GCT) (%)</td>
<td>2%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>C</td>
<td>Elasticity of Tourist Trips with respect to GCT</td>
<td>-1.67</td>
<td>-0.81</td>
<td>-2.52</td>
</tr>
<tr>
<td>D=B*C</td>
<td>Increase in Tourist Trips (%)</td>
<td>3.34%</td>
<td>4.05%</td>
<td>17.64%</td>
</tr>
<tr>
<td>E</td>
<td>Number of Tourist Trips</td>
<td>18,268,000</td>
<td>17,437,000</td>
<td>9,608,000</td>
</tr>
<tr>
<td>F=D*E</td>
<td>Number of Additional Trips</td>
<td>610,151</td>
<td>706,199</td>
<td>1,694,851</td>
</tr>
<tr>
<td>G</td>
<td>Average Tourist Spending per Trip</td>
<td>$115.50</td>
<td>$283.76</td>
<td>$114.80</td>
</tr>
<tr>
<td>H=G*F</td>
<td>Tourism Expenditures</td>
<td>$70,472,464</td>
<td>$200,390,886</td>
<td>$194,568,918</td>
</tr>
<tr>
<td>I</td>
<td>Tourism Earnings Multiplier</td>
<td>0.57</td>
<td>0.67</td>
<td>0.59</td>
</tr>
<tr>
<td>J=G*H</td>
<td>Total Earnings Due to Tourist Expenditures</td>
<td>$40,169,304</td>
<td>$134,261,894</td>
<td>$114,795,661</td>
</tr>
<tr>
<td>H=J/A</td>
<td>CE Ratio of Transportation Investment</td>
<td>20.08</td>
<td>33.57</td>
<td>22.96</td>
</tr>
</tbody>
</table>

A cost-effectiveness ratio measures the dollars earned for each dollar of investment. Therefore, a cost-effectiveness ratio of 33.57 means that every dollar invested in rail transportation generates $33.57 in Gross Domestic Product (GDP)\(^78\) from the increased tourism. These cost-effectiveness ratios provide a means of ranking projects in order to make investment decisions. In this example, it can be seen that the air investment of $4 million, in the Toronto and Area Region, has the largest cost-effectiveness ratio and therefore generates the most earned dollars relative to the initial investment. The rail investment of $5 million, in Southwestern Ontario, results in a cost-effectiveness ratio of 22.96 and the road investment of $2 million, in Central Ontario, results in a ratio of 20.08.

\(^78\) Similar calculations can be done for labour income and tax revenue using the TREIM model multipliers.
The cost-effectiveness ratios thus provide a ranking of the projects based on the tourism perspective. In this example the air investment is preferred to the rail investment which in turn, is preferred over the road investment.

5.6 Extension of the Framework to Include Tourism Attractions

While transportation between tourist regions is an important first step, the Ministry would like to ultimately examine access to and between Ontario’s key tourism products or attractions. The framework developed was constrained by the data and the time available. As such below an extension is recommended that uses an existing study to broaden the framework to include attractions.

The gravity model captures, in most cases, the population of the regions as well as the idiosyncratic region-specific characteristics that determine tourist flows. Population is a proxy for the number of tourist attractions. A better approach would be to include attractions in the model.

The Ministry of Tourism (with others) commissioned Global Insight to conduct a study entitled “Factors Influencing Visitor’s Choices to Visit Urban Destinations”. Global Insight used Richard Florida’s approach to develop three types of attraction counts that could be included in the gravity equations.

The first type of attraction count was a simple measure of the number of attractions:

\[
\text{Visitors Region} = F (\# \text{ of Attractions Region}) \quad (1)
\]

Based on the above, Toronto and Region would have 12 attractions and Ottawa Region 8. Then Niagara, South-Central and St. Lawrence Corridor would have 2. Other regions would have one or no attractions.

The second type of attraction count normalized the attraction count by the tourist region population in order to reduce the influence of a region’s size or population in determining visitor counts:

\[
\text{Visitors Region} = F (\# \text{ of Attractions Region} / \text{Population Region}) \quad (2)
\]

Based on the above, using major centres population, Niagara, St. Lawrence Corridor, Ottawa Region and other less populous regions with attractions would be ranked highest.

The third type of attraction count measures shares of both visitors and normalized attractions:
Visitors Region/VisitorsON =
F (# of Attractions Region / # of Attractions ON) (3)
(Population Region / Population ON)

This measure is a ratio. If the value of this ratio is greater than one, this shows that a particular region has a greater share of attractions than the Ontario average, while a value below one suggests that the share of attractions for this region is below the Ontario average.

The ratio measure gives the same relative ranking as the previous measure. Which one of the measures gives the best results needs to be tested empirically.

Each of these three attraction measures could be added to the gravity equation model to refine the elasticity estimates to make them more reliable for policy decision making.

5.7 Prioritization of Transportation Investment

In an ideal world, all projects that generate benefits in excess of their costs would be undertaken. Or alternatively, all projects that yield cost-effectiveness ratios above some benchmark would be pursued. However, this is generally not possible since governments and governmental organizations have budgets that they must adhere to. This necessitates the development of a framework that will assist in establishing priorities. Figure 14 illustrates the proposed methodology.
When deciding between projects it is important to consider the budget constraint and whether projects are mutually exclusive or independent. Mutually exclusive projects are those that cannot both be undertaken. For instance, if only one suitable location exists for an airport and train station then the decision between these projects is mutually exclusive.
Alternatively, if several suitable locations exist then these projects are independent (i.e., they both can be pursued). Within the prioritization framework, the project that yields the highest cost-effectiveness ratio, subject to the budget constraint and some benchmark, will be selected.

For independent projects, all projects that have cost-effectiveness ratios above some benchmark should be pursued up to the point where the budget is not exhausted.

**Proposed Next Step:** While an efficient transportation system is a necessary condition for a thriving tourism industry, highway, transit, air, rail, and active transportation decisions are made by the private sector and levels or areas of government outside of the Ministry of Tourism. Highway investments are made based on the categories of benefits that include travel time savings. Transit investments are made based on categories of benefits that also include time savings. Travel time savings can be input to calculations of generalized cost of travel which can then be converted into Ontario tourism flows and then tourist expenditures using the Ministry’s existing TREIM model.

*The Ministry of Tourism should provide advice on transportation investment priorities on the basis of their cost-effectiveness from a tourism perspective. The cost-effectiveness of transportation options across modes and tourist regions should be estimated by adopting the framework outlined in this paper. As specific project costs and benefits from transportation investment proposals are identified they should be inputted into the framework to set tourism-related transportation priorities.*

**Proposed Next Step:** A preliminary ranking of investments in existing transportation modes in Ontario’s tourist regions was done to illustrate the framework. Of note is the prominence of Toronto, Central Ontario, Ottawa, and Niagara in the priorities. The priority list takes into account the relative importance of tourist spending in the regions (with Ottawa Region and Toronto and Region being the highest). It also takes into account how tourist flows in a destination region will react to changes in transportation infrastructure. Of note is that three of the top seven priorities are rail.

*In terms of tourism, rail travel in the Windsor to Ottawa and Cornwall corridor be subject for further investigation. This work would characterize the benefits in terms of tourist travel time savings and the expected cost to travelers relative to the cost of the project.*

**Proposed Next Steps:** *The regions comprising the Primary Tourism Zone should be the focus for further tourism transportation infrastructure study.*

**Proposed Next Steps:** There are several proposed next steps to address data gaps and opportunities for gaining a better understanding of tourism flows and their impacts and priorities.

*When another year (or years if previous years are re-stated to match 2006) of data*
becomes available for Ontario’s tourist flows that matches that from 2006, it is recommended that the gravity models be re-estimated.

- Re-estimation will allow origin and destination (rather than just destination) elasticities can be used. This will allow for prioritization of projects that link regions rather than just projects in destination regions.

As more data become available, tourist attractions within each region should be added to the models.

- A previous study by Global Insight for the Ministry of Tourism provides the basis for performing this. This will provide the link between transportation infrastructure and tourism infrastructure in the framework.

Data should be extended to include U.S. access points and be integrated with the Ministry of Tourism Research Department’s international gravity model elasticities.

In addition, further parsing of tourist flow data to break out varying types of tourism (e.g., visiting friends and relatives (VFR), cottage travel) will enable a clearer understanding of varying tourism impacts and benefits.

Data on waterways travel (use, frequency, cost, duration, and availability) should also be collected in order to complete the picture in terms of tourist travel in Ontario.

Finally, the framework developed should be extended to incorporate road congestion costs. Data on congestion on Ontario’s highways and how it affects the generalized cost of travel should be collected and used to give a truer picture of the relative costs of road versus other modes of transportation.

6.0 Findings, Gaps, Priorities, and Proposed Next Steps

Findings
The first major finding of this study is that the majority of attractions and hence the lion’s share of tourist travel is in the “Primary Tourist Zone” – a few tourist regions clustered in southern Ontario.

The second finding is that transportation in and around the hub of these flows -- the Greater Toronto and Hamilton Area (GTHA) -- is mainly by road and this travel is congested beyond a healthy level.

Gaps
While there are irritants for tourist travel, there are two major gaps identified in the Ontario transportation system.

The first is that this congested road travel is a hindrance and perhaps a deterrent to tourist
travel.

The second is that while the majority of Primary Tourist Zone attractions are accessible by rail and public transit, both have suffered from under-investment. These are options that, with more investment, could alleviate the road congestion problem.

**Priorities**
Following from these gaps two strategic priorities emerge.

90% of Ontario tourist attractions could be reached from rail route along the southern corridor of Ontario with spurs to Niagara and Ottawa. Making rail an attractive, reliable, and affordable transportation option in the Primary Tourist Zone needs to be a priority.

Public transit is a second priority that can address the congestion problem and will contribute to creating attractive walkable tourist destinations by leveraging the agglomeration economies that come with transit hubs. Canada is underinvested in public transit and Ontario has allowed a transit infrastructure gap to open as it has grown.

**Framework**
A framework is presented for tourism public policy to assess which transportation projects are most important from a tourism perspective. The paper also suggests that the generalized cost of travel between Ontario’s travel regions is an important policy lever that can be used to aid the tourism industry. By reducing the cost of travel between regions through more, faster, or easier access the Ontario government can help the tourism industry. Finally a methodology for translating a change in the generalized cost of travel into tourism impact is presented that uses the Ministry’s TREIM model. This ultimately leads to a cost-effectiveness framework for prioritizing transportation initiatives from a tourism perspective.

**Five Steps to Compare Transportation Infrastructure Projects Based on Their Tourism Impact Relative to Cost Ratio:**

1. Characterize transportation initiatives in terms of their effect on a tourist’s generalized cost of travel (travel time plus wait times multiplied by the cost of time);
2. Use gravity model parameters to convert the cost of travel into changes in tourist flows;
3. Use Ministry’s TREIM model to convert tourist flows into economic impacts (direct, indirect, and induced expenditures, taxes, jobs) to the region(s) and/or Province;
4. Calculate the cost effectiveness (tourism impact to cost) ratio; and,
5. Rank the projects by their cost effectiveness ratios.
There were 12 proposed next steps made throughout this report:

**Proposed Next Step 1:**
While an efficient transportation system is a necessary condition for a thriving tourism industry, highway, transit, air, rail, and active transportation decisions are made by the private sector and levels or areas of government outside of the Ministry of Tourism. Highway investments are made based on the categories of benefits that include travel time savings. Transit investments are made based on categories of benefits that also include time savings. Travel time savings can be input to calculations of generalized cost of travel which can then be converted into Ontario tourism flows and then tourist expenditures using the Ministry’s existing TREIM model.

_The Ministry of Tourism should provide advice on transportation investment priorities on the basis of their cost-effectiveness from a tourism perspective. The cost-effectiveness of transportation options across modes and tourist regions should be estimated by adopting the framework outlined in this paper. As specific project costs and benefits from transportation investment proposals are identified they should be input to the framework to set tourism-related transportation priorities._

**Proposed Next Step 2:**
.Priority should be placed on modes of transportation that do not contribute to road congestion and can be incorporated into the tourism experience.

Transit, for example, is a cost-effective transportation option for moving tourists between attractions within a region.

The Metrolinx Draft Regional Transportation Plan offers the Province a win-win proposition – an economically worthwhile investment for the long-term and the prospect of significant near-term redress in the region’s and Province’s diminished economic fortunes. Other work suggests that excess road congestion affects commerce, including tourism, and as such, investments such as those proposed by Metrolinx that reduce congestion from above the tipping point should be supported.

Also, any other investment in transportation infrastructure (Transit City; MoveOntario 2020; Southern Highways Program) should reduce congestion (unless induced demand exceeds the added capacity) and as such should be supported.

**Proposed Next Step 3:**
A preliminary ranking of investments in existing transportation modes in Ontario’s tourist regions was done to illustrate the framework developed. Of note is the prominence of Toronto, Central Ontario, Ottawa, and Niagara in the priorities. The priority list takes into account the relative importance of tourist spending in the regions (with Ottawa Region and Toronto and Region being the highest). It also takes into account how tourist flows in a destination region will react to changes in transportation infrastructure.
Of note, is that three of the top seven priorities are rail.

In terms of tourism, rail travel in the Windsor to Cornwall (and Ottawa and Niagara) corridor should be subject for further investigation. The vast majority of tourists travel in this corridor and most tourist attractions could be reached by rail.

Making rail an attractive, reliable, and affordable transportation option in the Primary Tourist Zone needs to be a priority for moving tourists between regions in this zone.

Work in this area should follow the framework outlined below and characterize the benefits in terms of tourist travel time savings and the expected cost to travelers relative to the cost of the project.

Proposed Next Step 4:
Consider developing transportation options to support targeted groups of tourists.

Three examples are given below:

a. Green tourism - Train, transit, as well as active transportation (walking and biking) are also options that can be encouraged through transportation infrastructure investments. Walking tours and integrated bike/transit/train facilities should be integrated into Ontario’s tourism strategy and facilities. As discussed with reference to tourism infrastructure, enhancement of Ontario’s trail network should be seen not only as product development, but as part of the solution to access.

b. Seniors and people with disabilities - The number of seniors is growing rapidly. Ontario, with a well-developed and, in the main, accessible transportation system and barrier-free attractions could build upon this to offer targeted tourism to these groups.

c. Active transportation paths - A series of good bicycle path networks would not only help enhance the health of residents but also attract tourists who like biking. Ontario could extend this experience to major tourism destinations other than Toronto. Toronto already has the beginnings of a bike trail to neighbouring communities along its waterfront. Finally support for the Toronto-Niagara bike train could be the catalyst for more bike tours in both regions.

Proposed Next Step 5:
The analysis of tourist flows in Ontario has shown that the large majority is between Central Ontario, Toronto, South-Central Ontario and Southwestern Ontario. These regions, with Niagara make up 80% of the origin and destination of all Ontario tourist visits.

Tourist transportation infrastructure should be premised on attracting visitors to key destinations and on dispersing them to broader surrounding areas as well.

The regions comprising the Primary Tourism Zone should be the focus for further tourism transportation infrastructure study. This research would build upon the framework presented here once the data becomes available to support it.
years of tourism flows to and from the Primary Tourist Zone are expected soon from Statistics Canada. This will allow more detailed intra-regional infrastructure prioritization. Also, based on the prioritization example done in this paper, proposed Primary Tourism Zone project costs and benefits should be the ones examined first.

Proposed Next Step 6:
More cost-effective transportation access is good for the Province’s tourism industry. This paper gives a way of prioritizing projects from a tourism perspective. There are also opportunities to develop transportation options that add to the tourism connectivity and also act as attractions themselves.

- Marine travel along Ontario’s extensive system of waterways and between Great Lakes resorts could be supported. Development of Ontario’s waterfronts as tourism attractions recommended in the companion paper will contribute to Great Lakes and waterways cruising.

While these transportation options could be analyzed using the proposed framework, their benefits to the Province as tourism attractions will not be adequately captured.

*Transportation options that are also tourist attractions be dealt with outside of this framework.*

Proposed Next Steps 7-12:
There are several proposed next steps to address data gaps and opportunities for gaining a better understanding of tourism flows and their impacts and priorities:

Proposed Next Step 7:
*When another year (or years if previous years are re-stated to match 2006) of data becomes available for Ontario’s tourist flows that matches that from 2006, it is recommended that the gravity models be re-estimated.*

- Re-estimation will allow origin and destination (rather than just destination) elasticities can be used. This will allow for prioritization of projects that link regions rather than just projects in destination regions.

Proposed Next Step 8:
*As more data become available, tourist attractions within each region should be added to the models.*

- A previous study by Global Insight for the Ministry of Tourism provides the basis for performing this. This will provide the link between transportation infrastructure and tourism infrastructure in the framework.

Proposed Next Step 9:
*Data should be extended to include U.S. access points and be integrated with the Ministry of Tourism Research Department’s international gravity model elasticities.*
Proposed Next Step 10:  
*In addition, further parsing of tourist flow data to break out varying types of tourism (e.g. visiting friends and relatives (VRF) and cottage travel will enable a clearer understanding of varying tourism impacts and benefits.*

Proposed Next Step 11:  
*Data on waterways travel (use, frequency, cost, duration, and availability) should be collected to complete the picture in terms of tourist travel in Ontario.*

Proposed Next Step 12:  
*Finally, the framework developed should be extended to incorporate road congestion costs. Data on congestion on Ontario’s highways and how it affects the generalized cost of travel should be collected and used to give a truer picture of the relative costs of road versus other modes of transportation.*
7.0 Works Cited


12. Lewis, David and Williams, Fred L. *Policy and Planning as Public Choice*. 


Appendix E-1 – Ontario Tourism Regions and Flows

The following table outlines the major population centers that fall within the respective regions of Ontario.

**Table 11: Regions of Ontario and Main Population Centers**

<table>
<thead>
<tr>
<th>Region</th>
<th>Main Population Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>Windsor, Essex, Leamington</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>London, Woodstock, Tillsonburg, Stratford, Strathroy, Goderich, St. Thomas, Wallaceburg, Chatham, Sarnia</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>Niagara Falls, Niagara on the Lake, Fort Erie, St. Catharines, Port Colborne</td>
</tr>
<tr>
<td>South-central Ontario</td>
<td>Hamilton, Kitchener-Waterloo, Burlington, Cambridge, Brampton</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>Oakville, Mississauga, Brampton, Toronto, Richmond Hill, Aurora, Newmarket, Markham, Pickering, Whitby, Ajax, Oshawa</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>Barrie, Peterborough, Collingwood, Bancroft, Huntsville, Midland, Owen Sound, Tobermory, Orillia, Lindsay</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>Kingston, Cornwall, Brockville</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>Ottawa</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>Smith’s Falls, Pembroke, Petawawa, Hawkesbury</td>
</tr>
<tr>
<td>North Central</td>
<td>Parry Sound, Kirkland Lake, North Bay</td>
</tr>
<tr>
<td>Northeast</td>
<td>Sudbury, Timmins, Wawa, Moosonee, Sault Ste. Marie, Elliot Lake, Hearst</td>
</tr>
<tr>
<td>Northwest</td>
<td>Manitouwadge, Marathon, Geraldton, Nipigon, Thunder Bay, Atikokan, Fort Frances, Kenora, Dryden, Sioux Lookout, Red Lake</td>
</tr>
</tbody>
</table>

The following charts show the tourist flows to each of Ontario’s tourist regions by region of origin. The left hand axis shows tourist flows in thousands. The bars are ranked from left to right and the right hand axis shows the cumulative percentage of flows with the regions that contribute 80% of the flows highlighted.
Figure 15: Travel Flows to Region 1 from Other Regions

Figure 16: Travel Flows to Region 2 from Other Regions
Figure 17: Travel Flows to Region 3 from Other Regions

Origin - TR 3: Niagara Region

Figure 18: Travel Flows to Region 4 from Other Regions

Origin - TR 4: South-Central Ontario
**Figure 19: Travel Flows to Region 5 from Other Region**

**Figure 20: Travel Flows to Region 6 from Other Regions**
**Figure 21: Travel Flows to Region 7 from Other Regions**

Origin - TR 7: St. Lawrence River Corridor

![Graph showing travel flows to Region 7 from other regions.](image)

**Figure 22: Travel Flows to Region 8 from Other Regions**

Origin - TR 8: Ottawa

![Graph showing travel flows to Region 8 from other regions.](image)
Figure 23: Travel Flows to Region 9 from Other Regions

Figure 24: Travel Flows to Region 10 from Other Regions
Figure 25: Travel Flows to Region 11 from Other Regions

![Graph showing travel flows from Region 11 to other regions.]

Figure 26: Travel Flows to Region 12 from Other Regions

![Graph showing travel flows from Region 12 to other regions.]
Ranking of inter-regional visits in terms of number of visits/visitors, top four regions including region of residence:

- Tourists from Essex visit South-western, Essex, Toronto, South-Central Ontario.
- Tourists from South-western Ontario visit South-western Ontario, South-Central, Toronto and Central Ontario.
- Tourists from Niagara Region visit Toronto, South Central Ontario, Niagara Region and Central Ontario.
- Tourists from South Central Ontario visit Toronto Region, South Central Ontario, Central Ontario and South-western Ontario.
- Tourists from Toronto Region visit Central Ontario, Toronto Region, South Central Ontario and Niagara Region.
- Tourists from Central Ontario visit Central Ontario, Toronto Region, South-Central Ontario and South-western Ontario.
- Tourists from St Lawrence Corridor visit St Lawrence Corridor, Ottawa Region, Central Ontario and Toronto Region.
- Tourists from Ottawa Region visit Eastern Ontario, St. Lawrence Corridor, Toronto Region and Ottawa Region.
- Tourists from Eastern Ontario visit Ottawa Region, Eastern Ontario, St. Lawrence Corridor and Central Ontario.
- Tourists from North-Central Ontario visit North-Central, North-East, Toronto region, and Central Ontario.
- Tourists from North-East Ontario visit North-East, North-Central Ontario, Toronto Region and Central Ontario.
- Tourists from North-West Ontario visit North-West, Niagara Region, Toronto Region and North-East Ontario.
Appendix E-II Gravity Model Details

An investment in the transportation infrastructure will result in a reduction in the generalized cost of travel, which will lead to more tourists traveling between the origin and destination pairs that are affected. If an investment in the transportation infrastructure, say between Toronto and North Bay, leads to a 10% reduction in the generalized cost of travel, how many more tourists will travel from Toronto to North Bay (or vice versa)?

To measure the responsiveness of tourist trips to a reduction in the generalized travel cost, gravity based models (briefly discussed above), which are quite pervasive in the tourism literature, can be used. These models have been traditionally used in explaining trade flows between countries or between regions. However, since tourism is essentially a form of trade it makes sense to apply similar empirical techniques.80

These models postulate that tourist flows between regions are related to the “mass” (population or GDP) and the “distance” (a proxy for travel costs) between those regions among other factors.81 The diagrams below will illustrate the generalizations of these models – tourist flows are expected to be larger between regions that have lower generalized travel costs (this does not necessarily mean that they are farther apart).

Figure 27: Generalized Travel Costs and Tourist Flows

From Figure 27, more tourists are expected to travel between region X and region Y than region X and region Z, which is represented by the thicker line connecting those regions, assuming all other factors that are known to affect tourist flows are
held constant. Note that in Figure 27 the size of each region is equal. Gravity models explicitly control for the “mass” of each region. GDP per capita (or average income per person) and population are commonly used as proxies for the “mass” variable.\(^8^2\) This relationship is displayed in Figure 28.

*Figure 28: “Mass” and Tourist Flows*

This paper estimates a gravity-based model for intra-Ontario tourism travel. The estimated parameters from this model can be used to translate transportation infrastructure improvements (manifested in a reduction in the generalized cost of travel) into increases in tourist trips. This will require that generalized cost of travel by mode be calculated for each origin-destination pair (see previous section for calculation of the generalized cost of travel).

A gravity model for Ontario tourism is estimated using cross sectional data from 2006 for tourist flows between Ontario’s tourist regions.

Data is available for 2002-2004 and 2006 although the 2006 data is not consistent with the earlier data. Once new data becomes available that is consistent with the 2006 data there are opportunities to expand this analysis by using a cross sectional and time series analysis. Adding the time dimension to the data will allow much more analysis and will give better estimates of the elasticities used here.

The dependent variable is tourist flows from region X to region Y. The gravity equations estimated are comprised of "mass" and "distance" variables. Appendix E-II provides details of the independent variables.

It should be noted that the gravity models use the generalized cost of travel rather
than just the ticket price. So for example, the cost of flying is the ticket price plus the value of time spent traveling. And for automobile travel, the generalized cost is the value of time plus the vehicle operating costs (insurance, depreciation, fuel and oil use, and tire wear).

The tables in Appendix E-II summarize the elasticities from this model. The elasticities show how responsive tourists in each region are to changes in the cost of travel. An elasticity of -1.5 means that a 1% decrease in the cost of travel in a region will increase tourist flows by 1.5%.

The following lists the exact meaning of the abbreviations used in EViews work file. The gravity equations estimated are comprised of "mass" and "distance" variables. The independent variables are categorized as such.

The models are estimated using 2006 intra-Ontario tourist flows from the Ministry of Tourism and 2008 cost of travel and other data collected by HDR.

It is recommended that once another year of tourism data becomes available, that matches that from 2006, the gravity models by mode of transportation estimated in this paper be re-estimated in a time-series cross sectional framework to confirm and enhance the elasticities reported here. Adding a time series dimension will allow region to region rather than just destination elasticities to be estimated. Also, models that include travel from U.S. border crossings to Ontario’s tourist regions should also be included if the data is available. This will extend the analysis beyond the 80% of Ontario’s tourists that are considered in this outline of a framework.

Finally, as discussed in the body of the report, inclusion of attraction counts (or attractions per capita or attractions relative to the rest of Ontario) can be included to refine the elasticities to for policy decision making purposes.

**DEPENDENT VARIABLE**

- tourist = tourist flows from region x to region y

**INDEPENDENT VARIABLES**

**"MASS" VARIABLES**

- fam_bt_inc_o = before tax family income from origin
- regionfam_bt_inc_d = before tax family income from destination region
- fam_at_inc_o = after tax family income from origin region
- fam_at_inc_d = after tax family income from destination region
- hh_bt_inc_o = household before tax income from origin region
- hh_bt_inc_d = household before tax income from destination region
- hh_at_inc_o = household after tax income from origin region
o hh_at_inc_d = household after tax income from destination region  
o pop_o = population from origin region  
o pop_d = population from destination region

"DISTANCE" VARIABLES

o gct_bus = generalized cost of travel for bus mode from origin to destination  
o dum_bus = dummy variable if bus travel available  
o freq_bus = number of daily bus trips from origin to destination  
o gct_rail = generalized cost of travel for rail mode from origin to destination  
o dum_rail = dummy variable if rail travel available  
o freq_rail = number of daily rail trips from origin to destination  
o gct_air = generalized cost of travel for air mode from origin to destination  
o dum_air = dummy variable if air travel available  
o freq_air = number of daily air trips from origin to destination  
o gct_auto = generalized cost of travel for auto mode from origin to destination (50% of the average wage)

The following tables are the estimated output from a gravity models for Ontario tourism.

For automobiles an equation that had the population of the origin and destination as explanatory variables fit the data the best.
**Table 12: Auto Gravity Model Output**

Dependent Variable: LOG(TOURIST+1)  
Method: Least Squares  
Date: 11/05/08   Time: 22:57  
Sample: 1 132  
Included observations: 132  
White Heteroskedasticity-Consistent Standard Errors & Covariance

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOG(POP_O)</td>
<td>0.410327</td>
<td>0.045523</td>
<td>9.013610</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(POP_D)</td>
<td>0.701647</td>
<td>0.062166</td>
<td>11.28667</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*WINDSOR</td>
<td>-2.158768</td>
<td>0.093446</td>
<td>-23.10168</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*LONDON</td>
<td>-1.939536</td>
<td>0.099395</td>
<td>-19.51335</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*NIAGARA_FALLS</td>
<td>-1.752123</td>
<td>0.122845</td>
<td>-14.26286</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*HAMILTON</td>
<td>-2.080840</td>
<td>0.106884</td>
<td>-19.46816</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*TORONTO</td>
<td>-2.072640</td>
<td>0.141967</td>
<td>-14.59949</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*BARRIE</td>
<td>-1.670011</td>
<td>0.098806</td>
<td>-16.90196</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*KINGSTON</td>
<td>-1.943425</td>
<td>0.101269</td>
<td>-19.19078</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*OTTAWA</td>
<td>-2.016432</td>
<td>0.112993</td>
<td>-17.84562</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*SMITH_S_FALLS</td>
<td>-1.536771</td>
<td>0.088497</td>
<td>-17.36517</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*NORTH_BAY</td>
<td>-1.771491</td>
<td>0.092888</td>
<td>-19.07120</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*SUDbury</td>
<td>-1.912237</td>
<td>0.100865</td>
<td>-18.95840</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_AUTO)*THUNDER_BAY</td>
<td>-1.822140</td>
<td>0.079657</td>
<td>-22.87488</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

| R-squared                    | 0.866680    | Mean dependent var | 4.341847 |
| Adjusted R-squared           | 0.851992    | S.D. dependent var  | 1.991386 |
| S.E. of regression           | 0.766121    | Akaike info criterion | 2.405052 |
| Sum squared resid            | 69.25916    | Schwarz criterion   | 2.710803 |
| Log likelihood               | -144.7334   | Hannan-Quinn criter. | 2.529295 |
| Durbin-Watson stat           | 1.187161    |                    |          |
For buses, an equation that had the region specific dummy variables rather than the population of the origin and destination as explanatory variables fit the data the best.

**Table 13: Bus Gravity Model Output**

Dependent Variable: LOG(TOURIST+1)
Method: Least Squares
Date: 11/06/08  Time: 12:18
Sample: 190
Included observations: 90
White Heteroskedasticity-Consistent Standard Errors & Covariance

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOG(POP_O)</td>
<td>0.255846</td>
<td>0.083650</td>
<td>3.058525</td>
<td>0.0032</td>
</tr>
<tr>
<td>WINDSOR</td>
<td>12.60689</td>
<td>1.722728</td>
<td>7.317981</td>
<td>0.0000</td>
</tr>
<tr>
<td>LONDON</td>
<td>12.58622</td>
<td>1.870219</td>
<td>6.729811</td>
<td>0.0000</td>
</tr>
<tr>
<td>NIAGARA</td>
<td>10.62904</td>
<td>1.942623</td>
<td>5.471488</td>
<td>0.0000</td>
</tr>
<tr>
<td>HAMILTON</td>
<td>10.55439</td>
<td>2.580941</td>
<td>4.089358</td>
<td>0.0001</td>
</tr>
<tr>
<td>TORONTO</td>
<td>10.85567</td>
<td>1.716668</td>
<td>6.323687</td>
<td>0.0000</td>
</tr>
<tr>
<td>BARRIE</td>
<td>11.13266</td>
<td>2.742836</td>
<td>4.058812</td>
<td>0.0001</td>
</tr>
<tr>
<td>KINGSTON</td>
<td>10.50839</td>
<td>2.264496</td>
<td>4.640499</td>
<td>0.0000</td>
</tr>
<tr>
<td>OTTAWA</td>
<td>12.59716</td>
<td>0.853486</td>
<td>14.75966</td>
<td>0.0000</td>
</tr>
<tr>
<td>SMITH</td>
<td>8.483226</td>
<td>1.977295</td>
<td>4.290319</td>
<td>0.0001</td>
</tr>
<tr>
<td>THUNDER</td>
<td>53.83926</td>
<td>18.34043</td>
<td>2.935551</td>
<td>0.0045</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*WINDSOR</td>
<td>-2.391389</td>
<td>0.189104</td>
<td>-12.64591</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*LONDON</td>
<td>-2.157176</td>
<td>0.276786</td>
<td>-7.93668</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*NIAGARA</td>
<td>-1.793780</td>
<td>0.266627</td>
<td>-6.727672</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*HAMILTON</td>
<td>-1.730127</td>
<td>0.482941</td>
<td>-3.582483</td>
<td>0.0006</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*TORONTO</td>
<td>-1.663753</td>
<td>0.272691</td>
<td>-6.101250</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*BARRIE</td>
<td>-1.679810</td>
<td>0.508936</td>
<td>-3.306209</td>
<td>0.0015</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*KINGSTON</td>
<td>-1.712591</td>
<td>0.487145</td>
<td>-3.515566</td>
<td>0.0008</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*OTTAWA</td>
<td>-2.188454</td>
<td>0.169116</td>
<td>-12.94052</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*SMITH</td>
<td>-1.422221</td>
<td>0.402613</td>
<td>-3.532480</td>
<td>0.0007</td>
</tr>
<tr>
<td>LOG(GCT_BUS)*THUNDER</td>
<td>-9.046568</td>
<td>2.982901</td>
<td>-3.032809</td>
<td>0.0034</td>
</tr>
</tbody>
</table>

R-squared: 0.828738  Mean dependent var: 4.642759
Adjusted R-squared: 0.779097  S.D. dependent var: 2.144779
S.E. of regression: 1.008053  Akaike info criterion: 3.054882
Sum squared resid: 70.11582  Schwarz criterion: 3.638171
Log likelihood: -116.4697  Hannan-Quinn criter.: 3.290099
Durbin-Watson stat: 1.281556
For rail, as with bus, an equation that had the region specific dummy variables rather than the population of the origin and destination as explanatory variables fit the data the best.

**Table 14: Rail Gravity Model Output**

Dependent Variable: LOG(TOURIST+1)
Method: Least Squares
Date: 11/06/08 Time: 16:09
Sample: 1 42
Included observations: 42

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOG(POP_O)</td>
<td>0.452659</td>
<td>0.086832</td>
<td>5.213037</td>
<td>0.0000</td>
</tr>
<tr>
<td>WINDSOR</td>
<td>13.02453</td>
<td>2.892101</td>
<td>4.503485</td>
<td>0.0001</td>
</tr>
<tr>
<td>TORONTO</td>
<td>6.943471</td>
<td>1.998555</td>
<td>3.474246</td>
<td>0.0017</td>
</tr>
<tr>
<td>OTTAWA</td>
<td>12.65848</td>
<td>2.867255</td>
<td>4.414844</td>
<td>0.0001</td>
</tr>
<tr>
<td>HAMILTON</td>
<td>8.480360</td>
<td>1.913820</td>
<td>4.431116</td>
<td>0.0001</td>
</tr>
<tr>
<td>LONDON</td>
<td>11.84939</td>
<td>2.542249</td>
<td>4.660988</td>
<td>0.0001</td>
</tr>
<tr>
<td>NIAGARA_FALLS</td>
<td>10.04199</td>
<td>2.260036</td>
<td>4.443290</td>
<td>0.0001</td>
</tr>
<tr>
<td>KINGSTON</td>
<td>10.93901</td>
<td>3.414432</td>
<td>3.207357</td>
<td>0.0035</td>
</tr>
<tr>
<td>LOG(GCT_RAIL)*WINDSOR</td>
<td>-2.955992</td>
<td>0.520152</td>
<td>-5.682940</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_RAIL)*TORONTO</td>
<td>-1.348863</td>
<td>0.382246</td>
<td>-3.528781</td>
<td>0.0015</td>
</tr>
<tr>
<td>LOG(GCT_RAIL)*OTTAWA</td>
<td>-2.620667</td>
<td>0.512937</td>
<td>-5.109142</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_RAIL)*HAMILTON</td>
<td>-1.941681</td>
<td>0.332656</td>
<td>-5.836899</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_RAIL)*LONDON</td>
<td>-2.517203</td>
<td>0.461982</td>
<td>-5.448703</td>
<td>0.0000</td>
</tr>
<tr>
<td>LOG(GCT_RAIL)*NIAGARA_FALLS</td>
<td>-2.270978</td>
<td>0.379825</td>
<td>-5.979002</td>
<td>0.0000</td>
</tr>
<tr>
<td>KINGSTON*LOG(GCT_RAIL)</td>
<td>-2.420676</td>
<td>0.590255</td>
<td>-4.101068</td>
<td>0.0003</td>
</tr>
</tbody>
</table>

R-squared 0.926631  Mean dependent var 5.293620
Adjusted R-squared 0.888587  S.D. dependent var 1.711052
S.E. of regression 0.571124  Akaike info criterion 1.990033
Sum squared resid 8.806938  Schwarz criterion 2.610629
Log likelihood -26.79069  Hannan-Quinn criter. 2.217506
Durbin-Watson stat 1.388398
For air travel, an equation that had the population of the origin and destination as explanatory variables fit the data the best.

**Table 15: Air Gravity Model Output**

Dependent Variable: LOG(TOURIST+1)
Method: Least Squares
Date: 11/06/08   Time: 16:33
Sample: 1 56
Included observations: 56

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>2.691118</td>
<td>35.74091</td>
<td>0.075295</td>
<td>0.9403</td>
</tr>
<tr>
<td>LOG(Pop_O)</td>
<td>0.710739</td>
<td>0.200275</td>
<td>3.548815</td>
<td>0.0009</td>
</tr>
<tr>
<td>LOG(Pop_D)</td>
<td>-0.105113</td>
<td>2.819834</td>
<td>-0.037276</td>
<td>0.9704</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*KINGSTON</td>
<td>-1.220128</td>
<td>0.749876</td>
<td>-1.627106</td>
<td>0.1107</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*LONDON</td>
<td>-1.001774</td>
<td>0.690891</td>
<td>-1.449974</td>
<td>0.1540</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*NORTH_BAY</td>
<td>-1.173430</td>
<td>0.980869</td>
<td>-1.196317</td>
<td>0.2378</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*OTTAWA</td>
<td>-1.016647</td>
<td>0.931496</td>
<td>-1.091413</td>
<td>0.2809</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*SUDBURY</td>
<td>-1.098389</td>
<td>0.686797</td>
<td>-1.599293</td>
<td>0.1168</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*THUNDER_BAY</td>
<td>-1.448686</td>
<td>0.744035</td>
<td>-1.947067</td>
<td>0.0578</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*TORONTO</td>
<td>-0.806009</td>
<td>1.451162</td>
<td>-0.555423</td>
<td>0.5814</td>
</tr>
<tr>
<td>LOG(GCT_AIR)*WINDSOR</td>
<td>-1.314679</td>
<td>0.657060</td>
<td>-2.000852</td>
<td>0.0515</td>
</tr>
</tbody>
</table>

R-squared 0.616355  Mean dependent var 3.765421
Adjusted R-squared 0.531101 S.D. dependent var 1.960590
S.E. of regression 1.342537 Akaike info criterion 3.601168
Sum squared resid 81.10830 Schwarz criterion 3.999005
Log likelihood -89.83270 Hannan-Quinn criter. 3.755408
F-statistic 7.229604 Durbin-Watson stat 1.275385
Prob(F-statistic) 0.000001
The tables below summarize the elasticities from this model\(^84\). The elasticities show how responsive tourists in each region are to changes in the cost of travel. An elasticity of -1.5 means that a 1% decrease in the cost of travel in a region will increase tourist flows by 1.5%.

In the following models the value of time used was 50% of the average wage.

**Table 16: Elasticity of Tourist Trips to Destination Region with respect to the Generalized Cost of Auto Travel**

<table>
<thead>
<tr>
<th>Region</th>
<th>80% Confidence Interval</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean 10% Low 90% High</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>Essex</td>
<td>-2.16 -2.28 -2.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>-1.94 -2.07 -1.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>-1.75 -1.91 -1.59</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>-2.08 -2.22 -1.94</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>-2.07 -2.25 -1.89</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>-1.67 -1.80 -1.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>-1.94 -2.07 -1.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>-2.02 -2.16 -1.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>-1.54 -1.65 -1.42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-Central</td>
<td>-1.77 -1.89 -1.65</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>-1.91 -2.04 -1.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>-1.82 -1.92 -1.72</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*While statistically significant this elasticity stands out relative to others estimated. As such it should be used with caution until more data can confirm its size.

**Table 17: Elasticity of Tourist Trips to Destination Region with respect to the Generalized Cost of Bus Travel**

<table>
<thead>
<tr>
<th>Region</th>
<th>80% Confidence Interval</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean 10% Low 90% High</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>Essex</td>
<td>-2.39 -2.63 -2.15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>-2.16 -2.51 -1.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>-1.79 -2.14 -1.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>-1.73 -2.35 -1.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>-1.66 -2.01 -1.31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>-1.68 -2.33 -1.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>-1.71 -2.34 -1.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>-2.19 -2.41 -1.97</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>-1.42 -1.94 -0.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>-9.05* -12.87 -5.22</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* While statistically significant this elasticity stands out relative to others estimated. As such it should be used with caution until more data can confirm its size.
### Table 18: Elasticity of Tourist Trips to Destination Region with respect to the Generalized Cost of Rail Travel

<table>
<thead>
<tr>
<th>Region</th>
<th>80% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td>Essex</td>
<td>-2.96</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>-2.52</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>-2.27</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>-1.94</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>-1.35</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>-2.42</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>-2.62</td>
</tr>
</tbody>
</table>

### Table 19: Elasticity of Tourist Trips to Destination Region with respect to the Generalized Cost of Air Travel

<table>
<thead>
<tr>
<th>Region</th>
<th>80% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td>Essex</td>
<td>-1.31</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>-1.00</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>-0.81</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>-1.22</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>-1.02</td>
</tr>
<tr>
<td>North-Central</td>
<td>-1.17</td>
</tr>
<tr>
<td>North-East</td>
<td>-1.10</td>
</tr>
<tr>
<td>North-West</td>
<td>-1.45</td>
</tr>
</tbody>
</table>
Appendix E-III - Ontario Tourism - Transportation Connectivity Data

The following tables summarize the data collected for Section 4.1.1. Also included in this Appendix is a listing of smaller airlines serving Ontario and approaches that can be taken to adjust the road data for the effects of congestion.

Several criteria were followed when collecting the following data:

1. The travel period was from November 6 to November 9 (2008);
2. The time of departure was after 9AM;
3. If multiple departure times are available - the lowest fare was selected;
4. If multiple departure times are available and all fares were the same then the most direct route (i.e. that does not make as many stops) was selected;
5. Travel time was collected; and,
6. Only one-way fares were collected.

Assumptions for this data included:

Via Rail offers several different fares depending on the selected class. It was found that the discounted fare plans were often sold out. Therefore, for consistency, all rail fares are based on the “Comfort – Regular Fare” plan offered by Via Rail.

- Air Canada also offers customizing options when booking a ticket with several options that either add or subtract a predetermined amount of money from the final price of the ticket. For this study it was assumed that:
  i. No Aeroplan Miles are accumulated (subtract $3 from final ticket price);
  ii. No checked baggage (subtract $3 from final ticket price); and,
  iii. No changes, no flexibility (subtract $5 from final ticket price).
### Table 20: Air

Access 1=Available, 0=No Access

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>1</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>1</td>
<td></td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>1</td>
<td></td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>North-Central</td>
<td>1</td>
<td></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>North-East</td>
<td>1</td>
<td></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>North-West</td>
<td>1</td>
<td></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Duration (Travel Time in Hours)**

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.12</td>
<td>na</td>
<td>1</td>
<td>3.98</td>
<td>5.23</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>2.83</td>
<td></td>
<td>na</td>
<td>na</td>
<td>1.12</td>
<td>na</td>
<td>3.98</td>
<td>5.23</td>
<td>na</td>
<td>4.07</td>
<td>3.23</td>
<td>3.95</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>na</td>
<td></td>
<td>na</td>
<td>na</td>
<td>0.7</td>
<td>na</td>
<td>3.42</td>
<td>na</td>
<td>na</td>
<td>3.03</td>
<td>2.67</td>
<td>4.78</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>na</td>
<td></td>
<td>na</td>
<td>na</td>
<td>0.7</td>
<td>na</td>
<td>3.42</td>
<td>na</td>
<td>na</td>
<td>3.03</td>
<td>2.67</td>
<td>4.78</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>1.08</td>
<td>0.78</td>
<td>na</td>
<td>na</td>
<td></td>
<td>na</td>
<td>1.08</td>
<td>5.75</td>
<td>1.13</td>
<td>1.22</td>
<td>4.33</td>
<td>4.33</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>na</td>
<td></td>
<td>na</td>
<td>na</td>
<td></td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>5.03</td>
<td>2.87</td>
<td>na</td>
<td>na</td>
<td>0.87</td>
<td>na</td>
<td>3.45</td>
<td>na</td>
<td>4.53</td>
<td>3.7</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>3.73</td>
<td>2.88</td>
<td>na</td>
<td>1.16</td>
<td>0.98</td>
<td>na</td>
<td>5.23</td>
<td>na</td>
<td>2.97</td>
<td>3.17</td>
<td>3.48</td>
<td>3.48</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>na</td>
<td></td>
<td>na</td>
<td>na</td>
<td></td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-Central</td>
<td>3.9</td>
<td>5.23</td>
<td>na</td>
<td>3.33</td>
<td>0.98</td>
<td>na</td>
<td>3.73</td>
<td>3.73</td>
<td>na</td>
<td>2.98</td>
<td>4.95</td>
<td>5.4</td>
</tr>
<tr>
<td>North-East</td>
<td>3.78</td>
<td>4.48</td>
<td>na</td>
<td>2.33</td>
<td>1.15</td>
<td>na</td>
<td>2.98</td>
<td>3.2</td>
<td>na</td>
<td>5.03</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>North-West</td>
<td>5</td>
<td>4.58</td>
<td>na</td>
<td>4.91</td>
<td>1.78</td>
<td>na</td>
<td>5.75</td>
<td>2</td>
<td>3.75</td>
<td>3.83</td>
<td>3.83</td>
<td>3.83</td>
</tr>
</tbody>
</table>
### Frequency (Trips Per day from Region X to Region Y)

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>5</td>
<td>na</td>
<td>na</td>
<td>5</td>
<td>na</td>
<td>7</td>
<td>15</td>
<td>na</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>5</td>
<td>na</td>
<td>na</td>
<td>8</td>
<td>na</td>
<td>3</td>
<td>14</td>
<td>na</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>2</td>
<td>na</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>5</td>
<td>11</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>5</td>
<td>14</td>
<td>na</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>13</td>
<td>13</td>
<td>na</td>
<td>2</td>
<td>14</td>
<td>14</td>
<td>na</td>
<td>na</td>
<td>9</td>
<td>15</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>4</td>
<td>5</td>
<td>na</td>
<td>4</td>
<td>na</td>
<td>9</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-Central</td>
<td>4</td>
<td>3</td>
<td>na</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>9</td>
<td>na</td>
<td>na</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>5</td>
<td>5</td>
<td>na</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>13</td>
<td>na</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>6</td>
<td>7</td>
<td>na</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>16</td>
<td>na</td>
<td>4</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fare ($)

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>336.7</td>
<td>na</td>
<td>na</td>
<td>181.3</td>
<td>na</td>
<td>239.05</td>
<td>254.8</td>
<td>232.75</td>
<td>381.85</td>
<td>491.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>305.2</td>
<td>na</td>
<td>na</td>
<td>150.85</td>
<td>na</td>
<td>388.15</td>
<td>239.05</td>
<td>172.9</td>
<td>322</td>
<td>540.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>170.8</td>
<td>222.25</td>
<td>na</td>
<td>133</td>
<td>94.15</td>
<td>na</td>
<td>157.15</td>
<td>292.6</td>
<td>164.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td></td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>249.55</td>
<td>298.9</td>
<td>na</td>
<td>154</td>
<td>191.8</td>
<td>na</td>
<td>277.9</td>
<td>295.75</td>
<td>517.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>249.55</td>
<td>244.3</td>
<td>na</td>
<td>120.4</td>
<td>176.05</td>
<td>na</td>
<td>175</td>
<td>310.45</td>
<td>303.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-Central</td>
<td>243.25</td>
<td>293.65</td>
<td>na</td>
<td>178.15</td>
<td>172.9</td>
<td>190.75</td>
<td>na</td>
<td>386.05</td>
<td>643.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>252.7</td>
<td>311.5</td>
<td>na</td>
<td>182.35</td>
<td>295.75</td>
<td>206.5</td>
<td>na</td>
<td>286.3</td>
<td>593.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>398.65</td>
<td>339.85</td>
<td>na</td>
<td>217</td>
<td>390.25</td>
<td>201.25</td>
<td>na</td>
<td>368.2</td>
<td>435.4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Table 21: Bus

Access 1=Available, 0=No Access

<table>
<thead>
<tr>
<th>Origin (Row) / Destination (Column)</th>
<th>Essex</th>
<th>Southwestern Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>North-Central</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>North-East</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>North-West</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

### Duration (Time of Travel in Hours)

<table>
<thead>
<tr>
<th>Origin (Row) / Destination (Column)</th>
<th>Essex</th>
<th>Southwestern Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td></td>
<td>2.08</td>
<td>6.66</td>
<td>5.41</td>
<td>4.58</td>
<td>6.58</td>
<td>15.5</td>
<td>12.16</td>
<td>14.33</td>
<td>11.41</td>
<td>13.66</td>
<td>28.58</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>2.5</td>
<td></td>
<td>4</td>
<td>2.58</td>
<td>2.16</td>
<td>4.08</td>
<td>13.08</td>
<td>8.4</td>
<td>11.91</td>
<td>8.33</td>
<td>9</td>
<td>23.91</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>7.83</td>
<td>4.25</td>
<td>3.08</td>
<td>1.58</td>
<td>4.33</td>
<td>12.33</td>
<td>7.83</td>
<td>13.83</td>
<td>7.08</td>
<td>8.08</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>4.91</td>
<td>20</td>
<td>2.58</td>
<td>0.91</td>
<td>3.16</td>
<td>15.58</td>
<td>7.25</td>
<td>14.41</td>
<td>6.33</td>
<td>8.08</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>5.16</td>
<td>2.41</td>
<td>2</td>
<td>1</td>
<td>1.5</td>
<td>9.91</td>
<td>4.91</td>
<td>8.75</td>
<td>9.16</td>
<td>5.25</td>
<td>20.16</td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>7.58</td>
<td>4.5</td>
<td>4.25</td>
<td>3.75</td>
<td>1.5</td>
<td>18</td>
<td>7.5</td>
<td>14</td>
<td>4.25</td>
<td>4.25</td>
<td>20.91</td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>18.5</td>
<td>16</td>
<td>20.25</td>
<td>15.16</td>
<td>10.08</td>
<td>15.83</td>
<td>2.58</td>
<td>1.41</td>
<td>7.75</td>
<td>13.08</td>
<td>28.33</td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>11.41</td>
<td>7.91</td>
<td>7.83</td>
<td>8.16</td>
<td>5.08</td>
<td>7.08</td>
<td>2.41</td>
<td>1.25</td>
<td>5.33</td>
<td>7.66</td>
<td>22.08</td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>17</td>
<td>14.5</td>
<td>16.08</td>
<td>13.66</td>
<td>8.75</td>
<td>21.5</td>
<td>1.16</td>
<td>1.25</td>
<td>6.41</td>
<td>11.58</td>
<td>23.16</td>
<td></td>
</tr>
<tr>
<td>North-Central</td>
<td>11.41</td>
<td>8.41</td>
<td>9.25</td>
<td>10.08</td>
<td>9.83</td>
<td>3.66</td>
<td>10.33</td>
<td>5.33</td>
<td>9.16</td>
<td>2</td>
<td>16.41</td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>11.5</td>
<td>7</td>
<td>9.5</td>
<td>8</td>
<td>5</td>
<td>4.25</td>
<td>12.16</td>
<td>7.75</td>
<td>11</td>
<td>1.91</td>
<td>13.66</td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>27.58</td>
<td>24.23</td>
<td>24.5</td>
<td>23.08</td>
<td>20.16</td>
<td>19.16</td>
<td>28</td>
<td>22.66</td>
<td>26.83</td>
<td>16.83</td>
<td>13.66</td>
<td></td>
</tr>
</tbody>
</table>
## Frequency (Trips Per day from Region X to Region Y)

<table>
<thead>
<tr>
<th>Origin (Row)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>7</td>
<td>9</td>
<td>4</td>
<td>14</td>
<td>9</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>5</td>
<td>9</td>
<td>1</td>
<td>33</td>
<td>9</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>7</td>
<td>20</td>
<td>12</td>
<td>8</td>
<td>15</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>5</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>13</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>10</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-Central</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Fare ($)

<table>
<thead>
<tr>
<th>Origin (Row)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>39.35</td>
<td>81.35</td>
<td>66.25</td>
<td>69.7</td>
<td>83.75</td>
<td>170.05</td>
<td>149.2</td>
<td>166.7</td>
<td>136.35</td>
<td>145.7</td>
<td>219.25</td>
<td></td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>39.35</td>
<td>47.8</td>
<td>29.7</td>
<td>36.35</td>
<td>52.6</td>
<td>143.2</td>
<td>117.55</td>
<td>128.65</td>
<td>103</td>
<td>112.95</td>
<td>201.1</td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>81.35</td>
<td>21.75</td>
<td>29.7</td>
<td>49.6</td>
<td>129.7</td>
<td>101.9</td>
<td>117.55</td>
<td>96.35</td>
<td>101.9</td>
<td>87.6</td>
<td>88.75</td>
<td>201.1</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>70.75</td>
<td>24.25</td>
<td>20.95</td>
<td>36.35</td>
<td>117.55</td>
<td>88.75</td>
<td>101.9</td>
<td>87.6</td>
<td>88.75</td>
<td>201.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>74.2</td>
<td>32.2</td>
<td>20.95</td>
<td>23.3</td>
<td>107.45</td>
<td>76.85</td>
<td>88.75</td>
<td>74.2</td>
<td>201.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>88.75</td>
<td>56.6</td>
<td>47.8</td>
<td>36.35</td>
<td>23.3</td>
<td>122.65</td>
<td>96.9</td>
<td>112.95</td>
<td>no</td>
<td>61.4</td>
<td>237.35</td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>176.05</td>
<td>149.2</td>
<td>135.7</td>
<td>112.05</td>
<td>107.45</td>
<td>112.05</td>
<td>33.55</td>
<td>19.9</td>
<td>101.9</td>
<td>117.55</td>
<td>219.25</td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>149.2</td>
<td>117.55</td>
<td>101.9</td>
<td>83.75</td>
<td>76.85</td>
<td>96.9</td>
<td>33.55</td>
<td>19.9</td>
<td>70.75</td>
<td>95.85</td>
<td>201.1</td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>166.7</td>
<td>128.65</td>
<td>117.55</td>
<td>96.9</td>
<td>83.75</td>
<td>107.45</td>
<td>18.4</td>
<td>18.4</td>
<td>81.35</td>
<td>101.9</td>
<td>201.1</td>
<td></td>
</tr>
<tr>
<td>North-Central</td>
<td>136.35</td>
<td>103</td>
<td>96.35</td>
<td>87.6</td>
<td>69.7</td>
<td>96.9</td>
<td>66.25</td>
<td>81.35</td>
<td>27.5</td>
<td>196.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>137.05</td>
<td>no fare</td>
<td>101.9</td>
<td>83.75</td>
<td>69.7</td>
<td>117.5</td>
<td>90.85</td>
<td>101.9</td>
<td>27.5</td>
<td>182.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>219.25</td>
<td>201.1</td>
<td>195.1</td>
<td>195.1</td>
<td>237.35</td>
<td>219.25</td>
<td>195.1</td>
<td>201.1</td>
<td>196.2</td>
<td>182.35</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 22: Rail

Access: 1=Available, 0=No Access

<table>
<thead>
<tr>
<th>Origin (Row) / Destination (Column)</th>
<th>Essex</th>
<th>Southwestern Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>North-Central</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>North-East</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>North-West</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Time of Travel

<table>
<thead>
<tr>
<th>Origin (Row) / Destination (Column)</th>
<th>Essex</th>
<th>Southwestern Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>1.87</td>
<td>6.65</td>
<td>3.42</td>
<td>4.05</td>
<td>na</td>
<td>6.95</td>
<td>10.72</td>
<td>11.45</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>1.97</td>
<td>7.27</td>
<td>1.47</td>
<td>2.17</td>
<td>na</td>
<td>4.9</td>
<td>8.02</td>
<td>9.28</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>6.22</td>
<td>4.15</td>
<td>1.32</td>
<td>2.05</td>
<td>na</td>
<td>5.05</td>
<td>7.22</td>
<td>11.45</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>3.48</td>
<td>1.42</td>
<td>0.6</td>
<td>0.6</td>
<td>na</td>
<td>3.38</td>
<td>5.53</td>
<td>7.47</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>4.17</td>
<td>2.1</td>
<td>0.62</td>
<td>2.23</td>
<td>na</td>
<td>2.23</td>
<td>4.42</td>
<td>3.68</td>
<td>5.66</td>
<td>11.5</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>7.35</td>
<td>5.27</td>
<td>6.7</td>
<td>3.75</td>
<td>2.23</td>
<td>na</td>
<td>1.98</td>
<td>1.15</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>9.85</td>
<td>7.77</td>
<td>9.38</td>
<td>6.25</td>
<td>4.32</td>
<td>na</td>
<td>2.02</td>
<td>0.77</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>11.37</td>
<td>9.28</td>
<td>8.55</td>
<td>6.2</td>
<td>3.52</td>
<td>na</td>
<td>1.22</td>
<td>0.78</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-Central</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-East</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-West</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
</tbody>
</table>
## Frequency (Trips Per day from region X to Y)

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>na</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>7</td>
<td>na</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>na</td>
<td>3</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>na</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>8</td>
<td>na</td>
<td>1</td>
<td>2</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>3</td>
<td>2</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>na</td>
<td>3</td>
<td>2</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>na</td>
<td>5</td>
<td>3</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-Central</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-East</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-West</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
</tbody>
</table>

## Fare ($)

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>South-Western Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td>52.5</td>
<td>103.95</td>
<td>86.1</td>
<td>100.8</td>
<td>na</td>
<td>150.15</td>
<td>184.8</td>
<td>179.55</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>52.5</td>
<td>59.85</td>
<td>43.05</td>
<td>57.75</td>
<td>na</td>
<td>123.9</td>
<td>159.6</td>
<td>153.3</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>103.95</td>
<td>59.85</td>
<td>26.25</td>
<td>36.75</td>
<td>na</td>
<td>113.4</td>
<td>153.3</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>86.1</td>
<td>43.05</td>
<td>26.25</td>
<td>21</td>
<td>na</td>
<td>99.75</td>
<td>136.5</td>
<td>124.95</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>100.08</td>
<td>57.75</td>
<td>36.75</td>
<td>21</td>
<td>na</td>
<td>84</td>
<td>123.9</td>
<td>112.35</td>
<td>73.25</td>
<td>142.1</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>84</td>
<td>123.9</td>
<td>112.35</td>
<td>73.25</td>
<td>142.1</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>150.15</td>
<td>123.9</td>
<td>113.4</td>
<td>169.05</td>
<td>84</td>
<td>na</td>
<td>51.45</td>
<td>33.6</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>184.8</td>
<td>159.6</td>
<td>153.3</td>
<td>136.5</td>
<td>123.9</td>
<td>na</td>
<td>51.45</td>
<td>21</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>179.55</td>
<td>153.3</td>
<td>221.55</td>
<td>124.95</td>
<td>112.35</td>
<td>na</td>
<td>51.45</td>
<td>21</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-Central</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>73.25</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-East</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>142.1</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>North-West</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
</tbody>
</table>
### Table 23: Car Travel Time in Hours

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>Southwestern Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>2.23</td>
<td>2.27</td>
<td>1.28</td>
<td>2.15</td>
<td>2.75</td>
<td>4.65</td>
<td>6.52</td>
<td>5.58</td>
<td>5.53</td>
<td>5.98</td>
<td>19.50</td>
<td></td>
</tr>
<tr>
<td>Niagara Region</td>
<td>4.10</td>
<td>5.62</td>
<td>1.63</td>
<td>1.47</td>
<td>2.22</td>
<td>4.12</td>
<td>6.00</td>
<td>5.05</td>
<td>5.00</td>
<td>5.45</td>
<td>21.45</td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>3.15</td>
<td>1.33</td>
<td>1.63</td>
<td>1.23</td>
<td>1.80</td>
<td>3.70</td>
<td>5.57</td>
<td>4.63</td>
<td>4.58</td>
<td>5.03</td>
<td>20.48</td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>3.98</td>
<td>2.17</td>
<td>1.47</td>
<td>1.27</td>
<td>1.13</td>
<td>2.77</td>
<td>4.65</td>
<td>3.70</td>
<td>3.92</td>
<td>4.37</td>
<td>21.72</td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>4.57</td>
<td>2.75</td>
<td>2.20</td>
<td>1.80</td>
<td>1.12</td>
<td>3.55</td>
<td>5.33</td>
<td>4.48</td>
<td>5.88</td>
<td>3.33</td>
<td>20.68</td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>6.45</td>
<td>4.63</td>
<td>4.08</td>
<td>3.68</td>
<td>2.73</td>
<td>3.55</td>
<td>2.15</td>
<td>1.20</td>
<td>5.38</td>
<td>6.78</td>
<td>23.78</td>
<td></td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>8.38</td>
<td>6.57</td>
<td>6.02</td>
<td>5.62</td>
<td>4.67</td>
<td>5.35</td>
<td>2.17</td>
<td>1.62</td>
<td>4.13</td>
<td>5.70</td>
<td>22.53</td>
<td></td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>7.43</td>
<td>5.62</td>
<td>5.07</td>
<td>4.67</td>
<td>3.72</td>
<td>4.52</td>
<td>1.23</td>
<td>0.97</td>
<td>4.27</td>
<td>5.83</td>
<td>22.67</td>
<td></td>
</tr>
<tr>
<td>North-Central</td>
<td>7.38</td>
<td>5.57</td>
<td>5.02</td>
<td>4.62</td>
<td>3.93</td>
<td>2.88</td>
<td>5.50</td>
<td>4.18</td>
<td>4.35</td>
<td>1.65</td>
<td>18.48</td>
<td></td>
</tr>
<tr>
<td>North-East</td>
<td>7.80</td>
<td>6.00</td>
<td>5.43</td>
<td>5.05</td>
<td>4.35</td>
<td>3.32</td>
<td>6.78</td>
<td>5.70</td>
<td>5.87</td>
<td>1.62</td>
<td>17.70</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Origin (Row)/Destination (Column)</th>
<th>Essex</th>
<th>Southwestern Ontario</th>
<th>Niagara Region</th>
<th>South-Central Ontario</th>
<th>Toronto and Area</th>
<th>Central Ontario</th>
<th>St. Lawrence River Corridor</th>
<th>Ottawa Region</th>
<th>Eastern Ontario</th>
<th>North-Central</th>
<th>North-East</th>
<th>North-West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex</td>
<td></td>
<td>$53.44</td>
<td>$103.08</td>
<td>$77.94</td>
<td>$100.59</td>
<td>$117.42</td>
<td>$166.89</td>
<td>$217.37</td>
<td>$190.70</td>
<td>$186.69</td>
<td>$198.18</td>
<td>$460.79</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>$54.10</td>
<td></td>
<td>$56.28</td>
<td>$31.13</td>
<td>$53.95</td>
<td>$70.61</td>
<td>$120.25</td>
<td>$170.56</td>
<td>$144.06</td>
<td>$139.88</td>
<td>$151.37</td>
<td>$485.36</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>$103.74</td>
<td></td>
<td>$39.29</td>
<td>$36.30</td>
<td>$56.29</td>
<td>$105.92</td>
<td>$156.40</td>
<td>$129.57</td>
<td>$125.55</td>
<td>$136.87</td>
<td>$536.83</td>
<td></td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>$79.09</td>
<td></td>
<td>$31.96</td>
<td>$39.45</td>
<td>$30.47</td>
<td>$46.13</td>
<td>$95.77</td>
<td>$114.08</td>
<td>$115.50</td>
<td>$126.89</td>
<td>$512.01</td>
<td></td>
</tr>
<tr>
<td>Toronto and Area</td>
<td>$101.58</td>
<td></td>
<td>$36.30</td>
<td>$31.13</td>
<td>$27.64</td>
<td>$70.95</td>
<td>$112.42</td>
<td>$94.76</td>
<td>$96.90</td>
<td>$108.22</td>
<td>$524.88</td>
<td></td>
</tr>
<tr>
<td>Central Ontario</td>
<td>$117.91</td>
<td></td>
<td>$55.95</td>
<td>$46.30</td>
<td>$26.80</td>
<td>$92.10</td>
<td>$131.70</td>
<td>$115.92</td>
<td>$100.08</td>
<td>$81.91</td>
<td>$498.40</td>
<td></td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>$167.38</td>
<td></td>
<td>$120.08</td>
<td>$105.42</td>
<td>$95.60</td>
<td>$70.78</td>
<td>$92.10</td>
<td>$54.96</td>
<td>$27.79</td>
<td>$130.68</td>
<td>$172.86</td>
<td>$575.65</td>
</tr>
<tr>
<td>Ottawa Region</td>
<td>$218.19</td>
<td></td>
<td>$171.05</td>
<td>$156.23</td>
<td>$146.57</td>
<td>$121.59</td>
<td>$132.20</td>
<td>$54.79</td>
<td>$23.46</td>
<td>$101.56</td>
<td>$137.84</td>
<td>$546.53</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>$191.69</td>
<td></td>
<td>$144.39</td>
<td>$129.73</td>
<td>$119.91</td>
<td>$95.09</td>
<td>$116.25</td>
<td>$28.12</td>
<td>$22.97</td>
<td>$103.38</td>
<td>$139.66</td>
<td>$548.18</td>
</tr>
<tr>
<td>North-Central</td>
<td>$187.51</td>
<td></td>
<td>$140.38</td>
<td>$125.72</td>
<td>$115.89</td>
<td>$96.56</td>
<td>$70.92</td>
<td>$131.84</td>
<td>$101.88</td>
<td>$104.20</td>
<td>$37.27</td>
<td>$445.96</td>
</tr>
<tr>
<td>North-East</td>
<td>$198.67</td>
<td></td>
<td>$151.70</td>
<td>$136.71</td>
<td>$127.22</td>
<td>$82.25</td>
<td>$172.86</td>
<td>$137.84</td>
<td>$140.15</td>
<td>$36.94</td>
<td>$421.45</td>
<td></td>
</tr>
<tr>
<td>North-West</td>
<td>$462.28</td>
<td></td>
<td>$486.02</td>
<td>$537.49</td>
<td>$512.34</td>
<td>$523.56</td>
<td>$498.09</td>
<td>$574.01</td>
<td>$544.06</td>
<td>$546.37</td>
<td>$443.49</td>
<td>$420.15</td>
</tr>
</tbody>
</table>
### Table 24: Car Costs

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline price ($/l)</td>
<td>0.94</td>
</tr>
<tr>
<td>Oil price ($/l)</td>
<td>2.45</td>
</tr>
<tr>
<td>Tire price ($)</td>
<td>348</td>
</tr>
<tr>
<td>Average M&amp;R per 1,000 km</td>
<td>30.45</td>
</tr>
<tr>
<td>Auto value ($)</td>
<td>28245</td>
</tr>
<tr>
<td>Average wage rate</td>
<td>19.77</td>
</tr>
</tbody>
</table>

### Table 25: International Air Agreement

<table>
<thead>
<tr>
<th>Country of residence</th>
<th>Air agreements where one or more of these involved airlines is not operational but Toronto is still served by Air Canada</th>
<th>Air agreements where routes are not operational</th>
<th>Air agreements that are not operational. However, even if they were, Toronto would not be an access point.</th>
<th>Operational air agreements where Toronto is not an access point</th>
<th>Air Agreement</th>
<th>Canadian Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>St. John's, Montreal, Ottawa, Toronto, Calgary and Vancouver</td>
</tr>
<tr>
<td>Belgium</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Montreal</td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Toronto</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Toronto</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Toronto, Montreal, St. John's, Moncton, Halifax, Sydney</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Toronto, Montreal, Vancouver, Calgary</td>
</tr>
<tr>
<td>Greece</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Calgary, Toronto, and Montreal</td>
</tr>
<tr>
<td>Ireland</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Torono, Montreal</td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>St. John's, Montreal, Ottawa, Toronto, Calgary and Vancouver</td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes - but no routes operated (2000)</td>
</tr>
<tr>
<td>Portugal</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Montreal and Toronto</td>
</tr>
<tr>
<td>Spain</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>St. John's, Montreal, Ottawa, Toronto, Calgary and Vancouver</td>
</tr>
<tr>
<td>Sweden</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes - but no routes operated (2000)</td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Torono, Montreal</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country of residence</td>
<td>Air agreements where one or more of these involved airlines is not operational but Toronto is still served by Air Canada</td>
<td>Air agreements where routes are not operational</td>
<td>Air agreements that are not operational. However, even if they were, Toronto would not be an access point.</td>
<td>Operational air agreements where Toronto is not an access point.</td>
<td>Air Agreement</td>
<td>Canadian Airport</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
<td>---------------</td>
<td>----------------</td>
</tr>
</tbody>
</table>
### Air Agreements

<table>
<thead>
<tr>
<th>Country of residence</th>
<th>Air agreements where one or more of these involved airlines is not operational but Toronto is still served by Air Canada</th>
<th>Air agreements where routes are not operational</th>
<th>Air agreements that are not operational. However, even if they were, Toronto would not be an access point.</th>
<th>Operational air agreements where Toronto is not an access point.</th>
<th>Air Agreement</th>
<th>Canadian Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North America</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
<td>Toronto, Montreal, Vancouver, Edmonton, Calgary, Halifax, Quebec, Ottawa</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>South America</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes - no Service by AerolinN. Argentinas (2004) but still service by Air Canada</td>
<td>Toronto</td>
</tr>
<tr>
<td>Brazil</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes - no Service by Brazil Air or Varig (2004) but still service by Air Canada</td>
<td>Toronto</td>
</tr>
<tr>
<td>Colombia</td>
<td></td>
<td></td>
<td></td>
<td>Other instrument in lieu of agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venezuela</td>
<td>Yes</td>
<td></td>
<td></td>
<td>Yes - no Service by Aeropostal, Avensa, or Viasa (2006) but still service by Air Canada</td>
<td>Toronto</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 26: Recent Air Travel to Ontario (Excluding U.S.) Ranked by Jan-Sep 2008 Trips

Estimation of tourists

Province of entry: ONTARIO

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>46,107</td>
<td>40,236</td>
<td>-12.73</td>
<td>309,680</td>
<td>283,949</td>
<td>-8.31</td>
</tr>
<tr>
<td>Germany</td>
<td>17,871</td>
<td>16,523</td>
<td>-7.54</td>
<td>93,368</td>
<td>97,423</td>
<td>4.34</td>
</tr>
<tr>
<td>Mexico</td>
<td>9,576</td>
<td>8,775</td>
<td>-8.36</td>
<td>84,341</td>
<td>91,406</td>
<td>8.38</td>
</tr>
<tr>
<td>Japan</td>
<td>15,596</td>
<td>13,506</td>
<td>-13.40</td>
<td>81,551</td>
<td>69,641</td>
<td>-14.60</td>
</tr>
<tr>
<td>France</td>
<td>11,863</td>
<td>13,208</td>
<td>11.34</td>
<td>56,314</td>
<td>60,965</td>
<td>8.26</td>
</tr>
<tr>
<td>Korea (South)</td>
<td>7,894</td>
<td>7,079</td>
<td>-10.32</td>
<td>51,452</td>
<td>54,634</td>
<td>6.18</td>
</tr>
<tr>
<td>India</td>
<td>5,392</td>
<td>5,123</td>
<td>-4.99</td>
<td>44,618</td>
<td>48,360</td>
<td>8.39</td>
</tr>
<tr>
<td>China (Mainland)</td>
<td>7,800</td>
<td>6,846</td>
<td>-12.23</td>
<td>42,591</td>
<td>44,688</td>
<td>4.92</td>
</tr>
<tr>
<td>Brazil</td>
<td>5,079</td>
<td>5,586</td>
<td>9.98</td>
<td>39,853</td>
<td>42,290</td>
<td>6.11</td>
</tr>
<tr>
<td>Israel</td>
<td>4,787</td>
<td>4,742</td>
<td>-0.94</td>
<td>40,987</td>
<td>39,409</td>
<td>-3.85</td>
</tr>
<tr>
<td>Italy</td>
<td>4,110</td>
<td>4,182</td>
<td>1.75</td>
<td>37,766</td>
<td>38,326</td>
<td>1.48</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5,560</td>
<td>5,290</td>
<td>-4.86</td>
<td>35,417</td>
<td>36,633</td>
<td>3.43</td>
</tr>
<tr>
<td>Australia</td>
<td>4,935</td>
<td>5,492</td>
<td>11.29</td>
<td>33,521</td>
<td>35,714</td>
<td>6.54</td>
</tr>
<tr>
<td>Spain</td>
<td>3,193</td>
<td>4,624</td>
<td>44.82</td>
<td>20,485</td>
<td>29,670</td>
<td>44.84</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3,997</td>
<td>3,776</td>
<td>-5.53</td>
<td>24,798</td>
<td>29,323</td>
<td>18.25</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3,448</td>
<td>3,256</td>
<td>-5.57</td>
<td>27,145</td>
<td>28,248</td>
<td>4.06</td>
</tr>
<tr>
<td>Ireland</td>
<td>4,252</td>
<td>3,931</td>
<td>-7.55</td>
<td>25,266</td>
<td>24,926</td>
<td>-1.35</td>
</tr>
<tr>
<td>Austria</td>
<td>1,874</td>
<td>1,697</td>
<td>-9.45</td>
<td>12,138</td>
<td>13,024</td>
<td>7.30</td>
</tr>
<tr>
<td>Belgium</td>
<td>1,470</td>
<td>1,750</td>
<td>19.05</td>
<td>9,108</td>
<td>10,941</td>
<td>20.13</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,095</td>
<td>1,162</td>
<td>6.12</td>
<td>9,848</td>
<td>10,901</td>
<td>10.69</td>
</tr>
<tr>
<td>Portugal</td>
<td>1,156</td>
<td>1,283</td>
<td>10.99</td>
<td>10,978</td>
<td>10,683</td>
<td>-2.69</td>
</tr>
<tr>
<td>Argentina</td>
<td>1,213</td>
<td>1,558</td>
<td>28.44</td>
<td>8,193</td>
<td>9,467</td>
<td>15.55</td>
</tr>
<tr>
<td>Colombia</td>
<td>1,428</td>
<td>1,238</td>
<td>-13.31</td>
<td>9,372</td>
<td>9,403</td>
<td>0.33</td>
</tr>
<tr>
<td>Venezuela</td>
<td>1,058</td>
<td>1,371</td>
<td>29.58</td>
<td>7,592</td>
<td>9,377</td>
<td>23.51</td>
</tr>
<tr>
<td>Philippines</td>
<td>1,203</td>
<td>952</td>
<td>-20.86</td>
<td>9,759</td>
<td>8,601</td>
<td>-11.87</td>
</tr>
<tr>
<td>Denmark</td>
<td>1,073</td>
<td>1,337</td>
<td>24.60</td>
<td>7,630</td>
<td>8,255</td>
<td>8.19</td>
</tr>
<tr>
<td>Taiwan</td>
<td>813</td>
<td>1,022</td>
<td>25.71</td>
<td>6,114</td>
<td>6,595</td>
<td>7.87</td>
</tr>
<tr>
<td>Norway</td>
<td>655</td>
<td>617</td>
<td>-5.80</td>
<td>5,682</td>
<td>6,135</td>
<td>7.97</td>
</tr>
<tr>
<td>Finland</td>
<td>531</td>
<td>509</td>
<td>-4.14</td>
<td>5,714</td>
<td>6,064</td>
<td>6.13</td>
</tr>
<tr>
<td>New Zealand</td>
<td>933</td>
<td>904</td>
<td>-3.11</td>
<td>6,719</td>
<td>5,561</td>
<td>-17.23</td>
</tr>
<tr>
<td>Singapore</td>
<td>685</td>
<td>619</td>
<td>-9.64</td>
<td>4,885</td>
<td>5,322</td>
<td>8.95</td>
</tr>
<tr>
<td>Greece</td>
<td>691</td>
<td>477</td>
<td>-30.97</td>
<td>4,723</td>
<td>4,966</td>
<td>5.15</td>
</tr>
<tr>
<td>Thailand</td>
<td>441</td>
<td>368</td>
<td>-16.55</td>
<td>2,935</td>
<td>3,734</td>
<td>27.22</td>
</tr>
<tr>
<td>Malaysia</td>
<td>361</td>
<td>352</td>
<td>-2.49</td>
<td>2,663</td>
<td>2,673</td>
<td>0.38</td>
</tr>
<tr>
<td>Indonesia</td>
<td>316</td>
<td>416</td>
<td>31.65</td>
<td>2,109</td>
<td>2,307</td>
<td>9.39</td>
</tr>
</tbody>
</table>

Source: Statistics Canada

(1) Excludes entries by land same-day via the United States
(2) Includes Central America and the Caribbean

... figures not appropriate or not applicable
- nil or zero
- - amount too small to be expressed
Air Carriers in Ontario

The following is a list of other airlines that provide regular, non-charter, service operating in Ontario. Also listed are the areas in which service is provided.

**Bearskin Lake Air Services Ltd**

Service Area: TR12: Northwest - Kenora  
TR4: South-central - Kitchener/Waterloo  
TR10: North-central - North Bay  
TR8: Ottawa Region - Ottawa  
TR11: North-East - Sudbury  
TR12: North-West - Thunder Bay  

Note: The other regional airlines do have departures from main population centres in some regions but these airlines do not have destinations in these regions. “Some operations in popular tourist communities offer short air excursions for tourists (by airplane, helicopter, and even hot-air balloon). Information on these services is normally available through local tourism authorities.”

**Air Creebec**, servicing Northern Ontario and Québec.

Service Area: TR11: North-East – Timmins, Moosonee, and James Bay locations

**Air Georgian** is an airline based in Mississauga, Ontario, Canada. It operates as a charter passenger and cargo carrier. It also operates as Air Alliance on a Tier III code share with Air Canada for scheduled services on domestic and trans-border routes. Its main base is Toronto Pearson International Airport, with hubs at Halifax Stanfield International Airport and Montréal-Pierre Elliott Trudeau International Airport.

**Brock Air Services** is a Canadian charter and Medivac airline based in Kingston, Ontario, Canada. Brock Air Services operates on-demand air charter services at Kingston Airport and Brockville Municipal Airport. The airline provides air ambulance service under contract with Ornge (Ontario Air Ambulance). The airline also manages the Brockville airport.

**Bradley Air Services Limited**, operating as First Air

First Air provides both scheduled and chartered services. The airline flies passengers and cargo to destinations throughout northern Canada. First Air offers scheduled flights for about 30 communities in Alberta, Manitoba, the Northwest Territories, Nunavut, Ontario, Quebec, the Yukon, and links the Canadian Arctic to Greenland.

Service Area: TR1: Essex - Windsor  
TR2: Southwestern - London  
TR4: South-central - Hamilton
CanJet Airlines is a low-cost chartered airline based in Enfield, Nova Scotia, Canada at the Halifax International Airport. It operates a full-service charter airline throughout Canada. Provide service from Ottawa and Toronto to other areas.

Service Area: TR5: Toronto and Area - Toronto
TR8: Ottawa Region - Ottawa
TR12: North-West - Thunder Bay

NAC Air was a Canadian regional airline. Its main base was at the Thunder Bay International Airport. NAC Air serves northwestern Ontario with flights to and from Thunder Bay to other northern communities. On 13 January 2008 NAC Air ceased operations indefinitely due to financial difficulties, they claim, stemmed from a lawsuit with rival Wasaya Airways.

Service Area: TR10: North-Central - Thunder Bay

Parry Sound Air Service, servicing Central Ontario from Parry Sound in Northern Ontario with floatplane sightseeing, cottage shuttle and charter service.

Service Area: TR6: Central Ontario

Porter Airlines is a regional airline based in Toronto. It operates regularly-scheduled flights from Toronto City Centre Airport on the Toronto Island to destinations in Canada (Ottawa, Montreal, Halifax, and a winter-only service to Mont-Tremblant, Quebec) and the United States (NY and Chicago).

Service Area: TR5: Toronto and Area - Toronto
TR8: Ottawa Region - Ottawa

Superior Airways is a chartered air service based in Red Lake, Ontario at the Red Lake Airport in the town of Cochenour. Superior Airways serves Northwestern Ontario by flying cargo, fisherman, hunters, firefighters, first nations, medical patients and law enforcement to and from remote communities as well as city centers.

Thunder Airline is a charter and Medivac airline based in Thunder Bay, Ontario. They offer on-demand charter service from bases in Thunder Bay, Timmins, and Sudbury.
Service Area: TR11: North-East - Moosonee and Timmins

Voyageur Airways is an airline based in North Bay, Ontario. For tourists they offer air charters. They also offer an air ambulance service. Voyageur Airways, in conjunction with its partners, offers non-stop air service to Mont-Tremblant, Quebec from Toronto, Newark, Kitchener and North Bay.

Wasaya Airways LP is a 100% First Nations owned domestic airline based in Northern Ontario. They offer inter-community travel between most points in Northwestern Ontario with scheduled passenger and regular cargo networks. Its main hubs are at the Thunder Bay International Airport and Sioux Lookout Airport, however, it also offers a charter service out of a base in Red Lake, a charter and limited scheduled service out of a base in Pickle Lake, and recently opened a new charter service base in Timmins. In 2003, Wasaya Airways bought out the rights to serve remote First Nations communities from Bearskin Airlines. The airline also supplies food, clothing, hardware and other various supplies to 25 remote communities in Ontario.

Service Area: TR12: North-West - Thunder Bay

WestJet is a low-cost carrier based in Calgary, Alberta, that flies to most major cities in Canada and serves destinations in the United States, Mexico and the Caribbean. WestJet is the second-largest Canadian carrier behind Air Canada (third-largest including Air Canada Jazz).

Service Area: TR2: Southwestern - London
TR4: South-central - Hamilton, Kitchener and Waterloo
TR5: Toronto and Area - Toronto
TR8: Ottawa Region - Ottawa
TR12: North-West - Thunder Bay
TR11: North-East - Sudbury

White River Air is a fly-in outfitting air service out of White River in Northern Ontario, operating since the 1950s.

Canadian North offers scheduled passenger and cargo services throughout the NWT and Nunavut with charter capabilities. It provides connections to domestic and international flights through Ottawa, Edmonton and Calgary.

Service Area: TR8: Ottawa Region – Ottawa

West Capital Aviation provides aerial sightseeing tours of Ottawa, Ontario and Gatineau, Quebec. It also provides a 2-hour Rideau Canal sightseeing flight from Ottawa to Kingston to Montreal and back as well as seaplane charters for fishing,
sightseeing and flight training\textsuperscript{102}.

\textbf{Lauzon Aviation} is based in the small community of Blind River in eastern Ontario. It offers commercial air service and wilderness outpost camps. It also provides chartered air service to Ontario's remote areas for fishing, hunting trip in the province's Rainbow Country and flying to a rustic cabin on a wilderness lake\textsuperscript{103}.

\textbf{Green Airways} operates seven fly-in fishing outposts in the Red Lake district. Green Airways provides Charter airline service\textsuperscript{104}.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|}
\hline
\textbf{Road Congestion Estimation} & \textbf{To provide an estimate of the availability of automobile travel within Ontario HDR proposes the following methodology could be used in a later study:} \\
\hline
\textbf{(1)} & Outline the major road networks that connect regions within Ontario (a list of some of these highways/roads is provided in the table above). \\
\textbf{(2)} & Classify these roads by size and type (i.e., number of lanes, closed circuit etc.). \\
\textbf{(3)} & Use speed-flow curves to measure the capacity in terms of vehicle-kilometres (VKT) each road can accommodate assuming no congestion. The parameters of the speed-flow curves will change depending on road size and road type. \\
\textbf{(4)} & Translate VKT into total potential passengers using road distances between regions and the average maximum number of passengers per vehicle. \\
\textbf{a.} & Or, replace (1)-(4) with the Ministry’s MTO data on Average Annual Daily Trips (AADT) by major highway connecting the tourist regions and convert to monthly trips. \\
\textbf{(5)} & Standardize the total number of passengers that can travel by the total travel time from region X to region Y. \\
\hline
\end{tabular}
\end{table}
Appendix E-IV – Generalized Cost of Travel & Tourism Multipliers

Generalized Cost of Travel

The proposed framework relies heavily on what transportation economists refer to as the **generalized cost of travel**. In general, the economic benefits of transportation investments can be illustrated with a simple graph relating the generalized cost of travel (including the value of travel time, and any out-of-pocket expenses such as fare for bus or train users, or fuel, oil and depreciation costs for auto users) to the demand for travel (measured as the number of trips in a year). This relationship, the "travel demand curve," is an inverse relationship: as the generalized cost of travel decreases, the number of trips increases. Figure 29 shows a travel demand curve.

![Travel Demand Curve](image)

Therefore, investments in transportation infrastructure that work to reduce the generalized cost of travel are expected to increase the number of trips, *ceteris paribus*. A number of studies have explored this issue. These studies, typically, use a gravity model to estimate the determinants of tourist flows or expenditures.

Khadaroo and Seetanah (2008) estimate total world tourism-distance elasticity to be -0.22. This is much lower than the Ministry of Tourism’s estimate of ~1.5. Kahadaroo and Seetanah include dummy variables for road, air, and sea transportation infrastructure which are excluded from the Ministry’s work. Including these variables would take away explanatory power of the distance variable, reducing its impact in the model, and thus reducing the elasticity estimate. From the Ministry’s analysis, Ontario’s traditional European markets (UK, France, Germany) have an elasticity closer to 1, while the traditional Pacific markets (Japan and
Australia) have much higher elasticities (1.6 and 2.4, respectively). These results confirm the importance of infrastructure (both transportation infrastructure and tourism infrastructure) in attracting visitors to a destination. In fact, all of the following confirm the importance of infrastructure: Gearing (1974), Ritchie and Zins (1978), Ferrario (1979), Braithwaite et al. (1998), Murphy, Pritchard and Smith (2000), Kozak and Timmington (1999), and Turkey and McElroy (2003).

"Europeans and Americans, and to a lesser degree the Asians, attach sizeable importance to transport infrastructure when choosing their destination. Overall tourists are particularly sensitive to land and air infrastructure."\(^{108}\)

"Tourists from all regions are seen to be sensitive about factors such as level of development and tourism infrastructure in destination countries (with Europeans and Americans being more concerned)."\(^{109}\)

Khadaroo and Seetanah's dataset contains 28 countries and the estimation was done using panel-data methods (Generalized Method of Moments or GMM approach). The Ministry’s work was estimated using standard Ordinary Least Squares (OLS), and the dataset contained ~100 destination countries depending on the origin country, although estimations were only done for 33 origin countries. The units for the Ministry’s work are kilometres and trips so for a 10% increase in distance, trips go down by 15% in the countries examined.

In these gravity models, distance is generally used to proxy for travel costs. However, some of these studies, apart from those cited above, fail to find any significant relationship between distance (proxy for travel costs) and tourist flows or tourism expenditures.\(^{110}\) Using distance to proxy for travel costs has two drawbacks that are important to highlight:

1) The distance between regions fails to consider the time it takes to travel between regions and it fails to totally consider the cost;

2) From a policy perspective, the distance between regions cannot change, but, governments can play an active role, through investment in transportation infrastructure, in reducing the generalized cost of travel for potential tourists.

The present study focuses on the generalized travel cost, which are all the direct and indirect costs that a traveler faces as a results of traveling from region X to region Y. The following is a brief description of how the generalized travel cost was calculated.

Travel costs, clearly, will depend on the transportation mode. For bus, rail and air travel, the travel costs to the user are relatively easy to calculate. Calculating the generalized cost of travel for automobile users is a bit more involved. Nonetheless,
the generalized cost of travel can be disaggregated into direct costs and indirect costs of travel. Table 27 below outlines what is included in each of these categories for fare-based travel that is for bus, train and airplane) and for auto travel.

Table 27: Components of the Generalized Cost of Travel

<table>
<thead>
<tr>
<th>Travel Mode</th>
<th>Direct Costs of Travel</th>
<th>Indirect Costs of Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus/Train/Airplane</td>
<td>Fare price</td>
<td>Value of travel time</td>
</tr>
<tr>
<td>Automobile</td>
<td>Gas, automobile</td>
<td>Value of travel time</td>
</tr>
<tr>
<td></td>
<td>depreciation (includes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>general maintenance),</td>
<td></td>
</tr>
<tr>
<td></td>
<td>insurance, and other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>automobile operating costs</td>
<td></td>
</tr>
</tbody>
</table>

Table 27 makes reference to the value of travel time. The monetary value of time savings, due to an investment in transportation infrastructure, is by far the largest component of benefits. The proposed framework depends largely on the value of travel time. However, what monetary value do individuals place on their time forgone for traveling purposes? Revealed preference, contingent valuation and other survey methods, generally, need to be applied to empirically estimate this figure, which tends to be quoted relative to the average wage rate. HDR has typically used a value of one-half the average wage rate to monetize the benefits of travel time savings – this is consistent with what Transport Canada and the US Department of Transportation use in their analysis. Other studies have used value of time estimates that are smaller. However, these are judged to be conservative estimates. As an example, one other study reviewed has estimated the value of time to be nearly 75% of the average wage of individuals in the selected sample.

The value of travel time is therefore the product of the value of time and the total travel time. With respect to train travel, the total travel time includes more than just the amount of time the individual spends on the train. The total travel time includes the time it takes to get to the train station (access time), the waiting time at the train station and the time it takes to get to the final destination from the terminal train station (egress time). The schematic below clearly outlines this process.
Individual components of total travel time are not constant. These components will vary depending on a number of factors, which in many cases are idiosyncratic to the origin-destination pair. Listed below are examples of a number of factors that will cause individual components of travel times to vary:

1. weather conditions
2. congestion
3. distance and connectivity of origin from transportation terminal
4. distance and connectivity of destination from transportation terminal
5. inter-modal connectivity
6. modal characteristics
7. trip path (direct vs. indirect trips)

The variability in components of travel time establishes a distribution of possible travel times that could exist between origin and final destination. This is important because when deciding to travel between two regions the expected total travel time and the variability of the travel time are considered in the decision making process. Indeed, some studies have even suggested that this is as important as the value of time when deciding to travel between two regions.\(^{116}\) A transportation investment can reduce the generalized cost of travel and/or reduce the variability in the generalized cost of travel. To account for this it is common to include a premium on the value of time.\(^{117}\) The figure below depicts a hypothetical distribution of total travel time between two regions – note that a range of possible travel times are possible.
To calculate the generalized cost of travel for bus, train and airplane travel is relatively straightforward since only two costs need to be considered: (1) the fare price and the (2) value of travel time. For automobile travel, since the user also owns the transportation vehicle, depreciation, maintenance/repair, gasoline and oil costs also need to be considered. The following set of Structure and Logic (S&L) figures outline how the generalized cost of travel will be calculated for all travel modes.\textsuperscript{118}

\begin{center}
\textbf{Figure 31: Hypothetical Distribution of Total Travel Time from Region X to Region Y}
\end{center}

\begin{center}
\textbf{Figure 32: Generalized Cost of Travel for Bus, Train and Airplane Travel}
\end{center}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure31.png}
\caption{Hypothetical Distribution of Total Travel Time from Region X to Region Y}
\end{figure}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure32.png}
\caption{Generalized Cost of Travel for Bus, Train and Airplane Travel}
\end{figure}
Figure 33 below outlines the methodology to be used to calculate the generalized cost of travel for auto users. As mentioned, the calculation of the generalized cost of travel for auto users is more complicated than for other travel modes. This is because, unlike the other travel modes, the tourist owns the underlying transportation vehicle. Therefore, operating and vehicle depreciation costs need to be explicitly considered.

**Figure 33: Generalized Cost of Travel for Auto Travel**

Multiplier Methodology for Estimating Tourism Impacts

An increase in tourism expenditure can result in a ripple effect throughout other sectors of the economy. Direct effects measure the initial impact to the economy of visitor spending, which, are the production changes associated with a change in the demand for a particular good. Indirect effects measure the secondary impact of tourist expenditure and reflect the change in input needs of directly affected industries. Rises in employment opportunities and personal income are indirect effects of visitor spending. Induced effects are related to changes in household spending due to additional employment and income generated from the direct and
indirect effects.

This spending and re-spending within the economy as a result of tourism expenditure is captured in a multiplier. There are several types of multipliers which are used to describe the final change in output in an economy relative to the initial tourism expenditure. Input-output models (I/O models) are often used to capture and measure the direct, indirect and induced effects of tourism expenditure and produce output, income and employment multipliers.

Every dollar of tourism expenditure changes the level of output within the economy. An output multiplier measures this effect. Similarly, income and employment multipliers measure the relationship between tourism expenditure and income and employment changes within the economy. For example, an increase in tourism expenditure will lead to an increase in purchases by the tourism industry from other industries which will lead to an increase in employment both within the tourism industry and other industries. This increase in employment will increase household income which will be re-spent within the economy. Input-Output (I/O) models are designed to measure these multiplier effects. It is important to note that not all income generated from tourism expenditure is re-spent in the economy. Some of it is lost, or "leaked", when spent on imports or invested in savings.

Since most households budget for vacation and travel we can assume that transportation investments reduce the generalized cost of travel and result in more spending on other tourism activities. For example, if it is cheaper to get from the Toronto Convention Centre to the Ottawa Congress Centre then tourists will spend more on restaurant food or hotels because they have more available vacation money. There is the possibility that a reduction in the cost of travel will just shift expenditures to other "non-tourism" household expenditures.

Based on the above, as a general rule, tourism earnings multipliers tend to be greater for larger regions (in terms of population and local economy size) and regions with more inter-industry linkages (the degree to which local businesses supply goods and services to each other). These two effects are related – larger regions tend to have more inter-industry linkages. Table 28 below shows estimates of tourism earnings multipliers for various regions and countries including Canada.
Table 28: Estimates of Tourism Earnings Multipliers for Various Countries/Regions

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Tourism Earnings Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2.52</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.73</td>
</tr>
<tr>
<td>Ireland</td>
<td>1.72</td>
</tr>
<tr>
<td>Canada</td>
<td>1.70</td>
</tr>
<tr>
<td>British Columbia, Canada</td>
<td>0.65</td>
</tr>
<tr>
<td>Victoria, British Columbia, Canada</td>
<td>0.50</td>
</tr>
<tr>
<td>Greece</td>
<td>1.20</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.94</td>
</tr>
<tr>
<td>Italy</td>
<td>0.71</td>
</tr>
<tr>
<td>United States</td>
<td>0.68</td>
</tr>
<tr>
<td>Michigan, United States</td>
<td>2.25</td>
</tr>
<tr>
<td>New Hampshire, United States</td>
<td>1.70</td>
</tr>
<tr>
<td>Chicago, Illinois, United States</td>
<td>1.10</td>
</tr>
</tbody>
</table>

Based on the tourism earnings multipliers in Table 28, for every dollar of tourist expenditures spent in Canada approximately $1.70 of earnings accrue. In Australia, roughly $2.52 of earnings results per dollar of tourism expenditures. This is significantly higher than Canada’s tourism earnings multiplier, which suggests that Australia may have a higher degree of inter-industry linkages. This is not surprising given Australia’s relative geographic isolation.

The Ontario Ministry of Tourism has a model (TREIM) on the web to determine the economic impact of visitors’ and businesses’ spending in this area on the local and provincial economies.

“TREIM produces the following:

- Estimates of the Direct, Indirect and Induced impacts of tourism-related activities on Gross Domestic Product (GDP).
- Estimates of the Direct, Indirect and Induced impacts of tourism-related activities on Labour Income and Employment (Number of Jobs).
- Estimates of the Direct and Total impacts of tourism-related activities on Federal, Provincial and Municipal Tax Revenues.

We use the GDP multipliers in the framework below.

If the multiplier approach is applied, and holding all other factors constant, then this will mean that transportation investments will tend to flow to the region with the highest multipliers. However, in some regions of Ontario tourism tends to be relatively more important as a proportion of their GDP. It is important to note that one of the potential limitations of the proposed methodology is that more disadvantaged regions, which tend to have less inter-industry linkages, will receive...
relatively smaller amounts of transportation investment for the purposes of encouraging tourism.

The table below shows the multipliers (from the TREIM model) used in this study.

**Table 29: Estimates of Tourism GDP Multipliers for Ontario Tourist Regions**

<table>
<thead>
<tr>
<th>Region</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ottawa Region</td>
<td>0.69</td>
</tr>
<tr>
<td>Toronto and Region</td>
<td>0.67</td>
</tr>
<tr>
<td>North-East</td>
<td>0.60</td>
</tr>
<tr>
<td>Southwestern Ontario</td>
<td>0.59</td>
</tr>
<tr>
<td>North-Central</td>
<td>0.59</td>
</tr>
<tr>
<td>North-West</td>
<td>0.59</td>
</tr>
<tr>
<td>South-Central Ontario</td>
<td>0.59</td>
</tr>
<tr>
<td>St. Lawrence River Corridor</td>
<td>0.59</td>
</tr>
<tr>
<td>Niagara Region</td>
<td>0.59</td>
</tr>
<tr>
<td>Essex</td>
<td>0.58</td>
</tr>
<tr>
<td>Central Ontario</td>
<td>0.57</td>
</tr>
<tr>
<td>Eastern Ontario</td>
<td>0.57</td>
</tr>
</tbody>
</table>

**Figure 34: Earnings Multipliers and Determinants**