


## Hamilton Tourism Development Corporation 2024 Annual Report

<b>TO:</b>	Sole Voting Member, Hamilton Tourism Development Corporation
<b>DATE:</b>	February 11, 2025
<b>SUBJECT:</b>	Hamilton Tourism Development Corporation 2024 Annual Report
<b>PREPARED BY:</b>	Shelley Hesmer, Treasurer, Hamilton Tourism Development Corporation Ryan McHugh, Manager, Tourism and Events, City of Hamilton
<b>SUBMITTED BY:</b>	Lisa Abbott Vice-President, Hamilton Tourism Development Corporation
<b>SIGNATURE:</b>	

### RECOMMENDATION

- (a) That the Annual Report of the Hamilton Tourism Development Corporation for the year ended December 31, 2024, be received.

### INTRODUCTION

This 2024 Annual Report summarizes the Hamilton Tourism Development Corporation's (the "Corporation") business activities and financial status over the past year.

### BACKGROUND AND LEGISLATION

**Mandate:** The Corporation's mandate and related annual Business Plan align with the City of Hamilton 2024-2028 Tourism Strategy (the "Strategy"), which outlines priorities and actions for destination marketing and tourism development initiatives, including hosting major tourism festivals and events that positively impact the local economy.

City of Hamilton Tourism Strategy Priorities:

1. Grow Hamilton's Reputation as a Leading Tourism Destination
2. Create Vibrant Tourism Districts
3. Promote and Support the Sustainability of Natural Assets
4. Strengthen Major Festivals and Events

**Funding Source and Utilization:** The Corporation is funded through Municipal Accommodation Tax ("MAT") revenues which are utilized to support various tourism-related projects and events.

In 2017, the Province of Ontario granted municipalities the authority to implement a MAT on transient accommodation overnight stays to provide municipalities with a new revenue stream to support local tourism promotion and product development.

Hamilton City Council approved By-law No. 22-209, establishing a mandatory MAT in Hamilton at a rate of 4% and collection began January 1, 2023.

Under Ontario Regulation 435/17 Transient Accommodation Tax, municipalities must share a minimum of 50% of MAT revenues with a designated eligible non-profit tourism entity whose mandate includes the promotion of tourism in Ontario or in the municipality.

In 2022 Hamilton City Council approved the establishment of the Corporation as a tourism municipal services corporation eligible to receive 50% of MAT funds. The Corporation was incorporated on August 2, 2022.

Accountability Structure: As a non-profit Corporation, the Corporation is accountable to the City of Hamilton, which serves as the Sole Voting Member as represented by Council. The Board of Directors, consisting of council members and appointed officers, oversee the Corporation's operations, ensuring transparent and effective utilization of funds in accordance with approved policies and regulations.

## **OPERATIONAL UPDATE 2024**

In 2024, the Corporation made funding decisions, approving support for four major tourism event bids and one Hamilton festival, as follows:

- 2026 JUNO Awards: Canada's largest music and culture property, with 20,000 attendees over 5 days and a digital reach of over 16 million fans. Funding: \$300,000.
- 2027 Montana's Brier: Canadian men's curling championship by Curling Canada; 10 days of competition with 100,000+ attendees; 70 hours of television coverage. Funding: \$300,000.
- 2027 & 2029 Canada Wide Science Fair: by Youth Science Canada; attendance of 4,000 each year with students from across Canada exhibiting projects in science, technology, engineering, and mathematics (STEM) and innovation. Funding: \$255,000 per year.
- 2026 - 2030 Hamilton Winterfest: to further develop Winterfest into a signature winter attraction, drawing more visitors from regional tourism markets. Funding \$40,000 per year for 5 years.

In addition, the Corporation approved funding for the following tourism projects:

- Indigenous Tourism Experiences Study: Consultation with Indigenous communities, product-market match assessment, and best practice research with a

The goal is to establish innovative tourism products and experiences and attract and support new tourism investments. Funding: \$50,000 to be spent over 2 years.

- Waterfall Destination Master Plan: To improve visitor experience, enhance safety, increase capacity, and address enforcement issues around present and higher visitation levels. Funding: \$250,000 to be spent over 3 years.
- Placemaking, Activation, and Safety Initiatives: Safety, cleanliness, and activation initiatives in the Downtown Core and West Harbourfront areas, focusing on programming, placemaking, and strategic investments to enhance vibrancy. Funding: \$200,000 over 3 years, working with the Downtown West Harbourfront Coordinating Committee.

Total funding approved in 2024 was \$1,810,000 with funds payable by the Corporation to the events and projects between 2024 and 2029.

## **2023 AUDITED FINANCIAL STATEMENTS**

KPMG LLP, Hamilton Tourism Development Corporation external auditors, performed the statutory audit function and expressed an opinion, free of qualification, that these financial statements present fairly, in all material respects, the financial position of the Hamilton Tourism Development Corporation as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards. KPMG LLP indicated that there were no significant internal control deficiencies during the 2023 audit. However, the auditors did note an observation related to revenue recognition and reconciliation. The Treasurer has already taken appropriate steps to implement improvements to the reconciliation process to ensure accurate revenue recognition moving forward.

## **2024 OPERATING BUDGET**

In accordance with the Corporation's governance framework, the 2024 Budget was reviewed and approved by the Board of Directors at its meeting on June 7, 2024. The budget aligns with the Corporation's mandate to support tourism growth through strategic event attraction, tourism product development, and destination marketing initiatives.