
Subject: Tourism Adaption and Recovery Fund Budget Adjustment

Report to: Planning and Economic Development Committee

Report date: Wednesday, February 17, 2021

Recommendations

1. That an operating budget adjustment in the amount of \$2,000,000 gross and \$0 net **BE APPROVED** (and **INITIATED**) for the Niagara Tourism Adaption and Recovery Fund and that the initiative **BE FUNDED** from a Fed Dev Ontario grant.

Key Facts

- In accordance with By-law 2017-63 – Budget Control, budget adjustments greater than \$1 million require Council approval
- The Economic Rapid Response Team (ERRT) collaborated on an Expression of Interest, which was submitted in November, to the Tourism Adaption and Recovery Fund, provided by Fed Dev Ontario.
- This funding, which has now been approved, will provide financial assistance for tourism dependent businesses in Niagara to operate within Public Health protocols and thereby retain/create jobs, increase competitiveness and sustainability post COVID-19.
- Niagara Region is the funding applicant in the amount of \$2 million and will be managing the project with collaboration and support from the municipal economic development offices.
- Niagara Region has signed an agreement with Fed Dev Ontario for the funding project which will run from January to December 2021 and Council authorized the execution of the necessary documentation at the January 21st 2021 Council meeting.

Financial Considerations

The gross budget adjustment of \$2 million has no net financial implications as the funding is being received by the Niagara Region as the applicant from Fed Dev Ontario which will then be granted to businesses via an application process. The Fed Dev funding of \$2 million includes the cost of program administration of \$30 thousand, through a project manager.

The funding and the related grants were not included in the approved 2021 Operating budget due to uncertainty of confirmation of receipt of the funding at the time of budget preparation. Staff are now seeking to adjust the 2021 Levy Operating Budget to reflect the confirmed funding and related grants associated with the program in accordance with the Budget Control By-law.

Analysis

This project would provide financial assistance in the form of 80% grants, to enable tourism-dependent businesses to equip themselves to meet Public Health guidelines and protocols and by doing so, continue to operate, particularly through the shoulder and off season in 2020/21. The funding can be applied to costs incurred from June 2020 when businesses first started to open up again until December 2020.

An application process has been developed and will be widely promoted to tourism-dependent businesses across Niagara. An adjudication committee has been formed to conduct the selection process using an evaluation matrix. The committee has representation from the municipalities. There will be a funding agreement between Niagara Region and the successful businesses, which will be signed by the Director Economic Development. Grants will be a minimum of \$2,500 and a maximum of \$20,000 with a matching contribution of 20% from the business. Claim forms and reporting procedures have also been created. There will be regular reporting back to Fed Dev Ontario throughout the project.

Due to the timing of provincial funding announcements and 2021 budget preparation, this amount could not be included in the approved 2021 Operating budget. In accordance with By-law 2017-63 – Budget Control, budget adjustments greater than \$1 million require Council approval. The gross adjustment of \$2 million has no net financial implications as the funding is being received by the Niagara Region, as the applicant, from Fed Dev Ontario, to be granted to businesses via an application process. Fed Dev will also cover the cost of program administration, through a project manager.

Alternatives Reviewed

None applicable.

Relationship to Council Strategic Priorities

This project will strategically enforce Regional Council's priority 'Supporting Businesses and Economic Growth'.

Other Pertinent Reports

ED 2-2021 Tourism Adaption and Recovery Fund

ED 9-2020 COVID-19 Response and Business Continuity in Economic Development

ED 17-2020 COVID-19 Response and Business Continuity in Economic Development

Prepared by:

Valerie Kuhns
Manager, Strategic Initiatives
Economic Development

Recommended by:

George Spezza, Ec.D., CEcD
Director
Economic Development

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Lyndsey Ferrell, Program Financial Specialist, and reviewed by Dan Ane, Manager Program Financial Support.

Appendices

None.