



Staff Report

Strategic Initiatives

Report To: COW- Admin, Corp and Finance, SI, Comm. Services
Meeting Date: March 17, 2025
Report Number: SI.25.011
Title: Town Tariff Response and Local Business Support
Prepared by: Tim Hendry, Director of Strategic Initiatives

A. Recommendations

THAT Council receive Staff Report SI.25.011, entitled “Town Tariff Response and Local Business Support” for information.

B. Overview

This staff report provides Council with an overview of recommended actions to support local businesses in response to tariffs by the United States government on most imports from Canada.

C. Background

The threat/reality of tariffs imposed by the United States on Canadian goods present significant potential challenges to the economic stability of businesses throughout Ontario. Within the Town of The Blue Mountains, the tariffs are likely to affect key sectors including tourism, manufacturing and agriculture.

Understanding that the situation continues to evolve on daily basis, Town staff are actively monitoring the situation both locally and nationally, and as always, staff will continue to listen, learn and act accordingly.

To better understand the local context, the Town hosted a joint meeting between key local business associations including the Blue Mountains Chamber of Commerce, Thornbury BIA, Clarksburg Village Association, and Blue Mountain Village Association. In addition, Town staff have been actively engaged with industry-specific associations, including the Tourism Industry Association of Ontario (TIAO) and the Fruit Growers Association.

Although it’s too early to understand the extent of the impacts locally, the discussions have revealed a shared concern across the community, prompting the need to mobilize efforts to support local businesses and to consider industry-specific response plans.

The 2024/2025 winter season has proven to be one of the best in recent years for outdoor recreation sports such as skiing and snowboarding. Anecdotally, visitor numbers to The Blue Mountains are up significantly year-over-year, and the local tourism industry is doing well in terms of overnight visitation and retail/hospitality sales. However, the business associations shared that many local businesses outside of the core tourism areas have experienced a decline in sales. This is mainly attributed to large snowfalls and cold conditions that are not conducive to leisure shopping in areas such as downtown Thornbury and Clarksburg. Although a decline in visitor numbers during shoulder seasons is typical and expected, January and February are generally stronger months for businesses due to the ski season draw.

In addition, local manufacturing businesses and apple growers have expressed equally concerning perspectives regarding supply chain management and potential economic impacts at the local level.

Understanding the local economic context and with the threat of tariffs looming, Town staff are actively monitoring the situation, engaging with local businesses and readying action plans to help play our part.

At the municipal level, while direct measures to support businesses are limited, initiatives such as a revamped shop local campaign and support for regional efforts like the Made in Grey brand are underway, aimed at bolstering the local economy and fostering community self-reliance.

Finance and Procurement staff have been actively following the tariff talks as well as reviewing the Town's Policy to determine if immediate changes are necessary.

D. Analysis

The Town's recommended response aims to both understand and mitigate the disruption caused by the tariffs while positioning the Town to enhance its economic resilience and competitiveness through three strategic actions.

1. Advocacy and Stakeholder Engagement
2. Local Business and Industry Support
3. Town Procurement

1. Advocacy and Stakeholder Engagement

Open and ongoing engagement with local businesses is vital in understanding and navigating the shifts brought on by the tariffs. Staff will continue to meet with businesses and engage local and regional business associations to understand the impacts as the implementation and impact of the tariffs unfold.

Specific actions may include:

- **Advocacy:** Staff are working on advocacy efforts to support the interests of the Town's key economic sectors, and to demonstrate local business concerns and industry

perspectives to relevant associations and provincial and federal governments.

- **Business Impact Survey:** The Town will promote and encourage businesses to complete the Western Ontario Wardens Caucus business impact survey to quantify and understand the concerns and challenges businesses are encountering.
- **Mayors Forum:** Staff will review the feasibility of hosting a Mayor's economic development leadership discussion to bring together key local business leaders to exchange ideas and devise practical support measures.
- **Committees of Council:** Staff will engage the Economic Development Advisory Committee and the Agricultural Advisory Committee to tap into the collective experience of the members to help ensure that the Town's actions align with targeted response goals.
- **Industry Engagement:** Continue to engage with industry associations such as the Tourism Industry Association of Ontario, the Ontario Chamber of Commerce, and the Fruit Growers Association to stay informed of industry trends and policy shifts.

2. Local Business and Industry Support

Supporting local businesses and key economic sectors is central to the Town's response strategy. Further information and context related to the tourism industry and the apple industry are below:

- **Tourism Industry:** Details continue to unfold, but the Town recognizes the unique opportunities presented by the tariffs on the local tourism industry related to Ontario staycations, international travel and potential for U.S. visitors encouraged by favourable exchange rates. There are many options that need to be considered and staff will continue to work with local businesses and partners to refine the plan and approach.
- **Apple Industry:** The local apple industry faces particularly acute vulnerabilities stemming largely from the high volume of exports to US markets. Industry reports show that a substantial percentage of Ontario's apples are shipped to the US, and the tariffs will negatively affect local growers and related businesses through reduced market access, increased costs, and lowered competitiveness against U.S. and other global producers.

By implementing targeted initiatives, the Town aims to mitigate the immediate effects of the tariffs and bolster long-term economic resilience. Specific actions may include:

- **Launching a Shop Local Campaign:** Staff are preparing to launch a resident-focused shop local campaign on social media, leveraging current and planned business spotlight articles that highlight local businesses and entrepreneurs. This campaign underlines the importance of supporting community businesses and encourages residents to engage in local shopping.

- **Promotion of the Updated Business Directory:** Following a comprehensive update of the Town's business directory, efforts will be made to encourage businesses to list their business as the directory will be prominently featured in the shop local campaigns, driving both visibility and engagement from residents and visitors.
- **Business Support:** The Town is partnering with Grey County and organizations like the Small Business Enterprise Centre to provide support for local businesses. A new business support webpage has launched at www.grey.ca/business-supports. This page is a collaborative central hub for details about resources, supports and information related to tariffs. It is being updated regularly as new information is received.
- **Economic Development E-Newsletter:** The Town will continue to share business-related updates, workshop information, and support services through its local business and economic development e-newsletter.
- **Tourism Promotion Initiatives:** Opportunities for enhanced tourism promotion will be discussed in collaboration with the Blue Mountain Village Association as the Town's Destination Marketing Organization. Efforts will focus on finalizing the tourism strategy and accelerating the establishment of the Municipal Accommodation Tax Advisory Committee. The Committee's insights will guide investment in tourism promotion and product development in alignment with the strategy.
- **Agriculture Initiatives:** Staff will continue to engage with the Fruit Growers Association and leverage information shared by the Ontario Fruit and Vegetable Growers Association and the Ontario Apple Growers Association. Support initiatives may include local marketing campaigns promoting local apple products, industry advocacy for market diversification, and advocacy for provincial and federal support programs to provide financial aid or subsidies to apple growers.
- **Regional and Industry Collaboration:** The Town will support regional initiatives like the Made in Grey and Gather Campaigns and work with local business associations to leverage the Made in Canada and Ontario Made initiatives.

In addition, staff would like to highlight that the introduction of a promotional shop local currency was explored; however, it is not recommended at this time due to competing priorities that focus efforts on more immediate and impactful initiatives. If feasible, a local promotional currency will be explored later in the year.

3. Town Procurement

The Town's procurements policies are governed by several trade agreements, notably the Canada Free Trade Agreement (CFTA) and the Comprehensive and Economic Trade Agreement (CETA). CFTA governs trade within Canada. CETA governs trade between Canada and member European states.

The intent of the Town's Procurement By-law is fair, open and transparent procurement. The Town procures very little directly from US based companies however the products purchased may have a US component to them.

The Policy permits staff to direct purchase goods and services up to \$5,000 while goods and services between \$5,001 and \$24,999 require three quotes. More often than not, the goods and services procured below \$25,000 are from Ontario based companies.

The Policy requires that goods and services over \$25,000 be procured through open procurement methods such as Request for Proposals and Invitations to Tender. Larger organizations such as the City of Toronto and the City of Mississauga have altered their policies to increase the open procurement thresholds to align with the CETA and CFTA thresholds.

Staff does not recommend a change at the open procurement threshold at this time. Council may wish to encourage staff to Buy Canadian for the direct and informal level purchases.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

No direct environmental concerns are anticipated as a result of this report.

G. Financial Impacts

Staff time to engage businesses, local business associations and industry associations is covered under the general mandate of the Town's Economic Development staff.

Costs related to shop local initiatives are expected to be minimal, and if any occur, will be covered by the Town's general economic development operating budget.

H. In Consultation With

Adam Smith, Acting Chief Administrative Officer
Monica Quinlan, Director of Finance
Serena Wilgress, Manager of Purchasing and Risk Management

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Tim Hendry, Director of Strategic Initiatives si@thebluemountains.ca.

J. Attached

1. N/A

Respectfully submitted,

Tim Hendry
Director of Strategic Initiatives

For more information, please contact:
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Report Approval Details

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This report and all of its attachments were approved and signed as outlined below:

Tim Hendry - Mar 11, 2025 - 1:28 PM