

Summary Notes

Date: July 5th, 2023
To: Council Members, staff and attendees
From: Karen Clegg, Economic Development
Subject: Roundtable on Economic Development: Municipal
Accommodation Tax

Present:

Mayor Hamlin

Deputy Mayor Fryer

Councillors Houston and Perry

Town of Collingwood Staff (S. Skinner, S. Valentine, B. Kenny, K. Clegg)

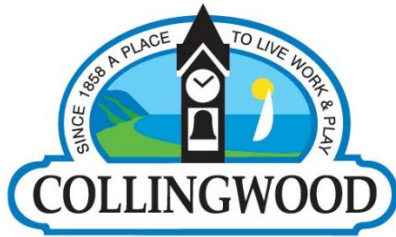
Invited Speakers (J. Hamilton, S. Abraham)

Invited Attendees (Accommodators and Tourism Representatives)

Speaker Jesse Hamilton:

Jesse Hamilton shared insights in his capacity per below:

- 1) He was the inaugural Chair of the newly formed Huntsville Municipal Accommodation Tax Association for the first four years of its existence.
- 2) Jesse was the Chair of the Huntsville Hotel Association, and led discussions with the Town of Huntsville on behalf of that association when they were working on implementing the MAT.
- 3) The above was possible because he was also the GM of Deerhurst Resort at the time.

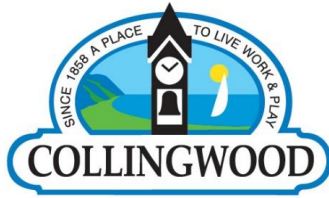


Content provided by Jesse:

- Huntsville already had a hotel association in place. They revitalized this with changes to the structure to create a committee that included municipal representation for the MAT implementation.
- Huntsville Municipal Accommodation Tax Association Committee (seven person committee established by Town of Huntsville) was a three year test program, accountability was a bi-annual report to the Huntsville Town Council, and they were not required to hit any metrics.
- They offered a grace period of 60 days for the introductory phase. If a guest complained about the MAT during that time, they removed the charge.
- They exempted two locations because more than 90% of the clientele was returning guests.
- The committee is not required to follow up with accommodators or other tourism outlets (activities/retailers) to ascertain if they were seeing any impact from the tourism \$ programs/grants.

Speaker: Sanju Abraham - Representative of Ontario Restaurant Hotel and Motel Association (ORHMA)

Sanju Abraham, on behalf of ORHMA, gave an overview of the services they provide in the collection of all the MAT in accordance with the regulations on behalf of a municipality for a fee. They have a tried, tested, and currently operating platform to efficiently manage these collections for municipalities such as Hamilton. Sanju noted that when ORHMA starts implementing MAT with a new Municipality, they work with that particular municipality for its own custom MAT Page with specific information tailored for that jurisdiction.



Please see below a sample of the MAT information page for the City of Hamilton.

<https://www.hamilton.ca/home-neighbourhood/property-taxes/municipal-accommodation-tax>

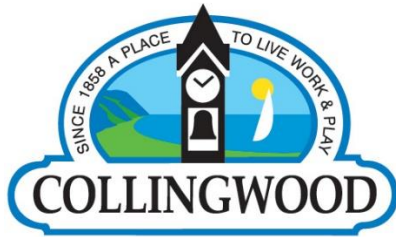
Below is a list of locations ORHMA currently service for collections:

Smaller Jurisdictions

- Gravenhurst
- South Bruce Peninsula
- Stratford
- Red Lake
- Wilmot
- Wellesley
- Sarnia

Larger Jurisdictions

- Hamilton
- London
- Burlington
- Guelph
- Oshawa
- Peterborough
- Point Edward
- Dryden
- Waterloo
- Kitchener
- Cambridge
- Woolwich



General Feedback from attendees:

- Some attendees indicated that MAT should be applied to all accommodation providers (traditional hotels, boutique hotels and Short Term Rentals (STRs).
- Some attendees indicated that given small accommodators have similar costs as the large accommodations but do not have revenue from 100 rooms to offset operational costs, they would like an exemption to the MAT and may come together to advocate for this.
- Clarification was provided regarding the status of consultations on the MAT. Response was that Manger Kenny had individual conversations with several accommodation providers and this roundtable was an initial opportunity to bring accommodators together for discussion. Further sector consultation would occur prior to the next staff report on the MAT coming forward.
- Attendees expressed an interest in establishing an accommodation association that could work with the Town.
- Attendees stressed the importance of coordinating with Town of Blue Mountains (TBM) on a similar MAT program. There was an identified follow-up for staff to determine the progress of the TBM project.
- Attendees emphasized that penalties for non-compliance, including STAs, must be enforced to ensure that there is no cost to the town.
- More than 50% of revenue from the MAT should be spent on tourism.
- It was suggested that revenue should be used to create more activities in Collingwood to retain tourists within the Town.



- Questions were raised on how the Town would use the 50% of MAT revenue. The Town indicated that it would be a Council decision but that the funds would be clearly allocated to specific programs.
- Attendees express concern that the MAT program is being rushed. Response was provided that this type of program has been available to municipalities for 7 years and was included in the 2020 Economic Development Action Plan.
- Confirmed MAT is only applicable to the accommodation portion of the invoice.
- Confirmed that municipalities have flexibility to set the MAT rate.
- Position raised that MAT funds could achieve more on aggregate for tourism than any single accommodator could achieve.
- Other municipalities proceeding with MAT:
 - Grey Highlands is considering a MAT and going back to their Council
 - Bruce and North Bruce Peninsula are going forward with a MAT.
 - Wasaga Beach is not considering a MAT in order to incentivize hotels to invest in Wasaga Beach.
 - TBM is in the process of evaluating a MAT. Blue Mountain Village already has a Village Amenity Fee (VAF), which they have had for years, so it is more complicated.
- Confirmed that further sector consultation would occur prior to the next staff report on the MAT coming forward.