

**Scandinave Spa Blue Mountain**  
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June 6<sup>th</sup>, 2025

Mayor Andrea Matrosov & Members of Council  
Town of The Blue Mountains  
32 Mill Street  
Thornbury, ON N0H 2P0

**Re: Request for Reconsideration of Vote – Support of the Leeward House Boutique Hotel Project**

Dear Mayor Matrosov and Members of Town Council,

I am writing to respectfully urge you to reconsider your recent vote on June 2nd regarding the deferral of Development Charges for the proposed Leeward House Project in Thornbury. This project, which would replace a long-vacant and deteriorating building with a thoughtfully designed 11-room boutique hotel, presents a rare and meaningful opportunity for the town—not only in terms of revitalization, but also in supporting sustainable economic and tourism growth.

To be clear: I am not writing in support of this project for any personal or business advantage. The addition of 11 rooms to the local accommodation market will have essentially zero impact on my business in the grand scheme of things. I have never met or spoken with the individual or company proposing this development. I am writing as someone who has lived and worked in five small towns across Ontario including: Elora, Fergus, Huntsville, Dysart et al /Haliburton, and now The Blue Mountains — and as someone who truly believes this project represents a win-win-win: for the town, for local business, and for the future of Thornbury.

With my past experience including being the General Manager of two boutique hotels in small-town Ontario, both under 35 rooms, I can speak firsthand to the financial pressures of operating at this scale. Margins are tight even in the best of conditions, and development charges can be make-or-break in getting a smaller project like this off the ground. For context, an 11-room hotel has a maximum of 4,015 room nights to sell in a year. At a strong first-year occupancy rate of 65% (which is optimistic for a new property) that translates to about 2,610 room nights sold in the year. If the \$865,000 in development charges must be paid over 8 years, that's roughly \$108,000 annually — equating to more than **\$41 for each and every** room night sold. If repayment is condensed to 3 years, the per-room cost **exceeds \$110**. These figures make financial viability extraordinarily difficult, especially for a small independent operator.

If the Town is unable to defer the full amount over eight years, I fully understand why the proponent would be forced to walk away. The numbers simply don't work otherwise, and that would be a true loss for our community.

Beyond the economics, I urge Council to weigh the broader benefits of the Leeward House Project:

1. **Revitalization of a Derelict Site:** A long-abandoned building would be replaced with a high-quality, thoughtfully designed hotel, improving both the aesthetics and safety of the area.
2. **Boost to Local Tourism and Economy:** Additional accommodation supports growing visitor demand and strengthens the year-round tourism economy that so many small businesses rely on.
3. **Smart, Scaled Development:** This is not overdevelopment—it's a modest, appropriately scaled project that aligns with the character of Thornbury and contributes positively to its future.

I deeply appreciate the time and energy Council devotes to evaluating proposals like this, and I kindly ask that you reconsider your vote in favor of allowing this exciting and beneficial project to move forward. Thank you for your service to the community, and for taking the time to consider the perspective of someone who has seen, firsthand, what thoughtful small-town development can accomplish.

Sincerely,



**Matthew Phillips**

Executive Director

Scandinave Spa Blue Mountains

