

Deputation to the C.O.W.

Subject: Urgent Call for Strategic Allocation of Municipal Accommodation Tax Funds

Dear Members of the Committee, Town Staff and Residents,

I appreciate the opportunity to address you today on the important matter of the Municipal Accommodation Tax (MAT) and its allocation, most specifically, the Town's share of these funds

As a leader in the accommodation market in the Blue Mountains, I speak on behalf of the professional rental management community and investing homeowners when I state that it is vital for Council to pause and conduct a careful analysis of how MAT revenues are currently planned to be spent.

Allow me to first speak to the state of the accommodation sector. The local short-term accommodation sector—which includes both licensed STAs and unlicensed Commercial Resort Units (CRU)—is currently experiencing declining occupancy rates. This trend creates financial challenges for our industry and, consequently, reduces overall MAT collections. When visitation declines and capacity remains unfilled, we risk competing against ourselves, which drives rates down and further diminishes the revenue stream intended for crucial tourism initiatives.

It is imperative that we recognize the interdependence of our local economy, tourism sector, and community. The MAT revenue is derived from our industry's collective contribution, and we are committed to working with the Town and the Destination Marketing Organization (DMO) under the understanding that these funds will be utilized effectively to support and grow tourism.

This is a call, today, from the accommodation sector and its leadership, for a tourism-centric vision

Successful municipalities that collect and invest MAT proceeds, such as our neighbours in Collingwood and across Muskoka, demonstrate a commitment to visitor tourism as a core focus. As Collingwood Mayor Yvonne Hamlin stated, when speaking about MAT and their newly formed DMO, *"It's awesome to see our tourism industry getting organized. It's going to be a whole new thing for our community and all the businesses in our town."*

Mayor Rick Maloney, Town of Bracebridge unequivocally stated that *"Introducing the Municipal Accommodation Tax is an important step forward to sustainably fund tourism initiatives and community services that benefit both visitors and residents. We are committed to working closely with the local accommodation sector to ensure a smooth transition and continued growth of Bracebridge as a destination of choice."*

It is important to confirm for you that while we have seen declining occupancy rates, of late, here in Blue while Muskoka has experienced an increase in market share. We must adopt a similar tourism-first vision for the Blue Mountains in that we must invest in the sector using long term strategic planning and thinking.

Here are our concerns regarding current allocation proposals. The current proposals suggest that almost all of the MAT funds, totaling approximately \$1,261,500 in proposed budget items, may be earmarked for core Town-led projects that do not directly enhance tourism infrastructure in the immediate future. Waiting a year and a half before investing in meaningful tourism infrastructure is concerning, especially as we need strategic investments aimed at raising occupancy during critical peak and non-peak seasons for 2026, 2027, and beyond.

I express my concern that several proposed initiatives lack direct alignment with our Tourism Strategy and the MAT's core purpose. The MAT must serve as a strategic mechanism to enhance our tourism sector, which ultimately benefits the entire community through long-term growth and a healthier local economy.

Here are what we see as the next steps and recommendations

To ensure we maximize the return on investment for our community, we urge this Council to take the following steps:

1. Engage the DAC: Ensure that the new Destination Advisory Committee (DAC) is actively and immediately engaged in guiding MAT revenue allocation. Their insights are crucial for determining projects that support long-term sustainable tourism growth.
2. Reassess the Allocation: Re-evaluate the current spending proposal to prioritize thoughtful, long-term, tourism-centric projects that enhance our community's appeal as a destination.
3. Adhere to Strategy Framework: Stick to the framework and timed actions set out within the Destination Strategy 2025–2026 Work Plan, starting immediately with the formation of the DAC.

By cultivating a more methodical, tourism-centric approach, every dollar spent can enhance our community's appeal as a destination and ensure a robust local economy and its long term health.

Thank you for your attention to this critical issue. I look forward to your thoughtful consideration and we hope to see Council adopt a strategy that openly recognizes the vital role that tourism plays in the economy of the Town of Blue Mountains.