



REPORT

To: Mayor and Council
From: Chief Administrative Officer
Subject: For Your Decision: Service Delivery Review - Tourism
Date: February 12, 2024

Issue

Service Delivery Review - Tourism

Facts

- According to the 2020 Asset Management Plan, the Municipality currently has an annual funding gap of \$5.6 million between what should be spent to maintain assets and what is spent. This is the equivalent of \$2,156 per household, or more than double the current annual average levy on each house. The number is considered on the lower end of reality as it does not include all asset classes. Furthermore, inflation has increased significantly since the plan was developed, especially for Municipal infrastructure.
- By July 2025, Asset Management Planning legislation requires municipalities to determine current and future levels of service, the costs associated with that level of service and a plan to fund it. The legislation will, in essence, require municipalities to "live within their own means" by setting levels that are affordable and attainable long term. Not being compliant with this requirement will affect Municipal transfer funding.
- Grant funding programs have been shifting to take into account a Municipality's strategy in closing the asset gap and current state of funding their assets (i.e. the more the Municipality is addressing the deficit, the more likely a funding is to be approved. The less a Municipality is working to close the gap, the less likely they are to be approved for funding)
- Council directed staff to undertake Service Delivery Reviews (SDR) on all Municipal services. This is an evaluation process in which a specific municipal service is systematically reviewed to determine the most appropriate way to

provide it. The SDR process focuses on setting priorities and, where possible, reducing the cost of delivery (to the Municipality) while maintaining or improving services and service levels. At times, service levels may have to be cut.

- A part of SDR process is to consider how to enhance services through greater efficiency or process changes without added costs to the Municipality. In many cases however, Council will either need to reduce costs or increase revenues (fees & charges or levy) significantly to address the infrastructure gap and plan for the future. While doing so, the increased complexity of operating services needs to be taken into account. Therefore, it is only possible to reduce costs to the level required by reducing services and/or assets that Greenstone maintains.

Analysis

Please see the attached Tourism Service Delivery Review Report.

How does this tie to the Strategic Plan?

1.0 Build Financial Capacity

To create the financial capacity to invest in capital infrastructure and equipment to meet service level expectations and statutory requirements, and to allow flexibility to enhance existing and future service delivery options.

1.1 Service Delivery Review (SDR): Council has approved the commencement of a service delivery review. The SDR will look at current and future levels of service for program delivery and asset maintenance. With the completion of each SDR, develop business plans to ensure that the services meet the strategic service level objectives of Council in a fiscally prudent manner.

Recommendation

1. THAT Council approve the renewal of the permits for all twenty-five (25) Municipality of Greenstone billboards throughout the Province of Ontario for an additional (5) five-year term on their renewal dates (23-2025, 1-2026, 1-2028) with the Ministry of Transportation of Ontario (MTO).
2. THAT Council approve the discontinuation of the full-time Tourism Coordinator position, with consideration to be given to a shared position (rec/tourism) in the future.
3. THAT Council approve the discontinuation of operations of the Tourist Information Centre in the Longlac Ward and have staff prepare a report on the possible use of the facility going forward. The washrooms at the facility will remain operational and open for the public during the summer months.
4. THAT Council direct staff to prepare a report detailing information required to develop a Policy to regulate and permit short-term accommodations within the Municipality of Greenstone.

5. THAT Council direct staff to investigate possible not for profit tourism related entities that are eligible to partner with should a Municipal Accommodation Tax (MAT) be implemented in accordance with Transient Accommodation Tax Regulation 435/17.
6. THAT Council direct staff to prepare a Phase One application to the Northern Ontario Heritage Fund Corporation (NOHFC) for development of the Municipal Gateway projects and related recreation infrastructure as applicable to the program.
7. THAT Council submit the name of a Council Member for approval to sit on the Superior Country Board of Directors for three (3) years or until the end of the current Council term.

DATE	MONDAY, FEBRUARY 12, 2024
SUBJECT	SERVICE DELIVERY REVIEW – TOURISM
REPORT NO.	SDR-14

RECOMMENDATION

That Council of the Municipality of Greenstone approve the following:

1. THAT Council approve the renewal of the permits for all twenty-five (25) Municipality of Greenstone billboards throughout the Province of Ontario for an additional (5) five-year term on their renewal dates (23-2025, 1-2026, 1-2028) with the Ministry of Transportation of Ontario (MTO).
2. THAT Council approve the discontinuation of the full-time Tourism Coordinator position, with consideration to be given to a shared position (rec/tourism) in the future.
3. THAT Council approve the discontinuation of operations of the Tourist Information Centre in the Longlac Ward and have staff prepare a report on the possible use of the facility going forward. The washrooms at facility will remain operational and open for public use during the summer months.
4. THAT Council direct staff to prepare a report detailing information required to develop a Policy to regulate and permit short-term accommodations within the Municipality of Greenstone.
5. THAT Council direct staff to investigate possible not for profit tourism related entities that are eligible to partner with should a Municipal Accommodation Tax (MAT) be implemented in accordance with Transient Accommodation Tax Regulation 435/17.
6. THAT Council direct staff to prepare a Phase One application to the Northern Ontario Heritage Fund Corporation (NOHFC) for development of the Municipal Gateway projects and related recreation infrastructure as applicable to the program.
7. THAT Council submit the name of a Council Member for approval to sit on the Superior Country Board of Directors for three (3) years or until the end of the current Council term.

SERVICE SUMMARY

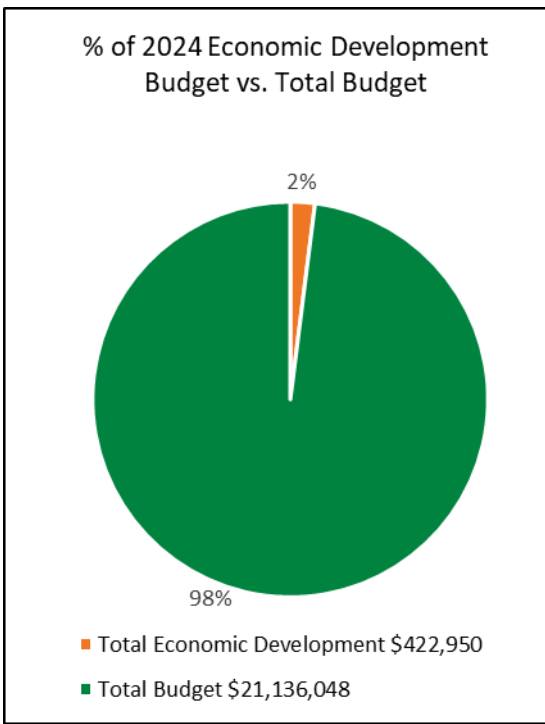
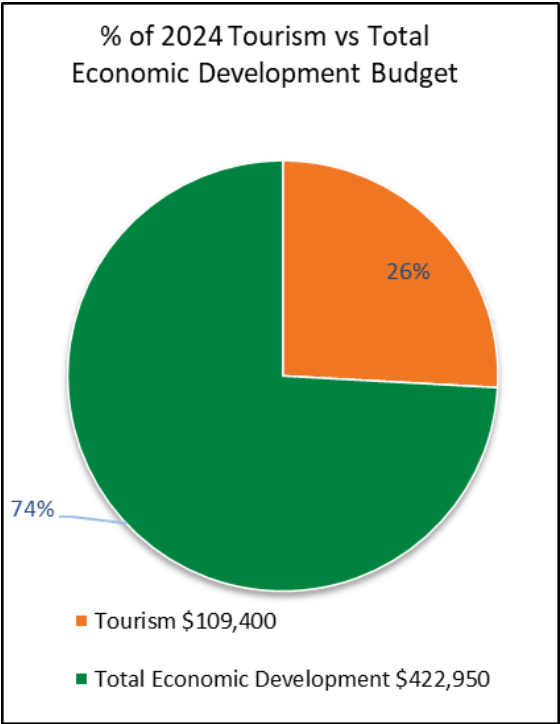
SERVICE	TOURISM
DEPARTMENT	Economic Development & Communications
SUMMARY	<p>The Municipality of Greenstone budgets for a full-time Tourism Coordinator and for two (2) Tourism Ambassadors (student positions) for May-September. The Municipality operates a Tourism Information Centre (May-September) located in the Longlac Ward. The Municipality hosts a tourism-based website and advertises area outfitters.</p> <p>The Municipality is a member of the North of Superior Travel Association (NOSTA) – Superior Country.</p> <p>The Municipality supports local tourism through subsidization of events through the Municipal Grants and Resource Policy.</p> <p>The Economic Development & Communications Officer and the Financial Administrative Assistant (Ec. Dev). perform duties related to tourism and tourism initiatives as well.</p> <p>The Economic Development & Communications Department is responsible for management and budgeting of established tourism initiatives.</p>
MANDATORY	No
LEGISLATION	<p>In many Ontario municipalities, existing infrastructure is degrading faster than it is being restored or replaced, putting service delivery at risk. To assist with this issue, the province implemented the Asset Management Planning for Municipalities, Regulation 588/17, effective January 1, 2018. This regulation is meant to improve the approach to infrastructure planning, building on the progress municipalities have made.</p> <p>The regulatory timelines associated with O.Reg. 588/17 Amendments to the Asset Management Planning for Municipal Infrastructure regulation have been amended to:</p> <p>July 1, 2022 (previously July 1, 2021): Date for municipalities to have an approved asset management plan for core assets (roads, bridges and culverts, water, wastewater, and stormwater management systems) that identifies current levels of service and the cost of maintaining those levels of service.</p> <p>July 1, 2024 (previously July 1, 2023): Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that identifies current levels of service and the</p>

	cost of maintaining those levels of service. July 1, 2025 (previously July 1, 2024): Date for municipalities to have an approved asset management plan for all municipal infrastructure assets that builds upon the requirements set out in 2024. This includes an identification of proposed levels of service, what activities will be required to meet proposed levels of service, and a strategy to fund these activities.
BY-LAWS	None
FEES/CHARGES	None

2024 BUDGET SUMMARY

2024 Expenditures: \$109,400
2024 Revenues: -\$2,500
Net Budget: \$106,900

Additional funds from the Economic Development operating budget are used for tourism related items.

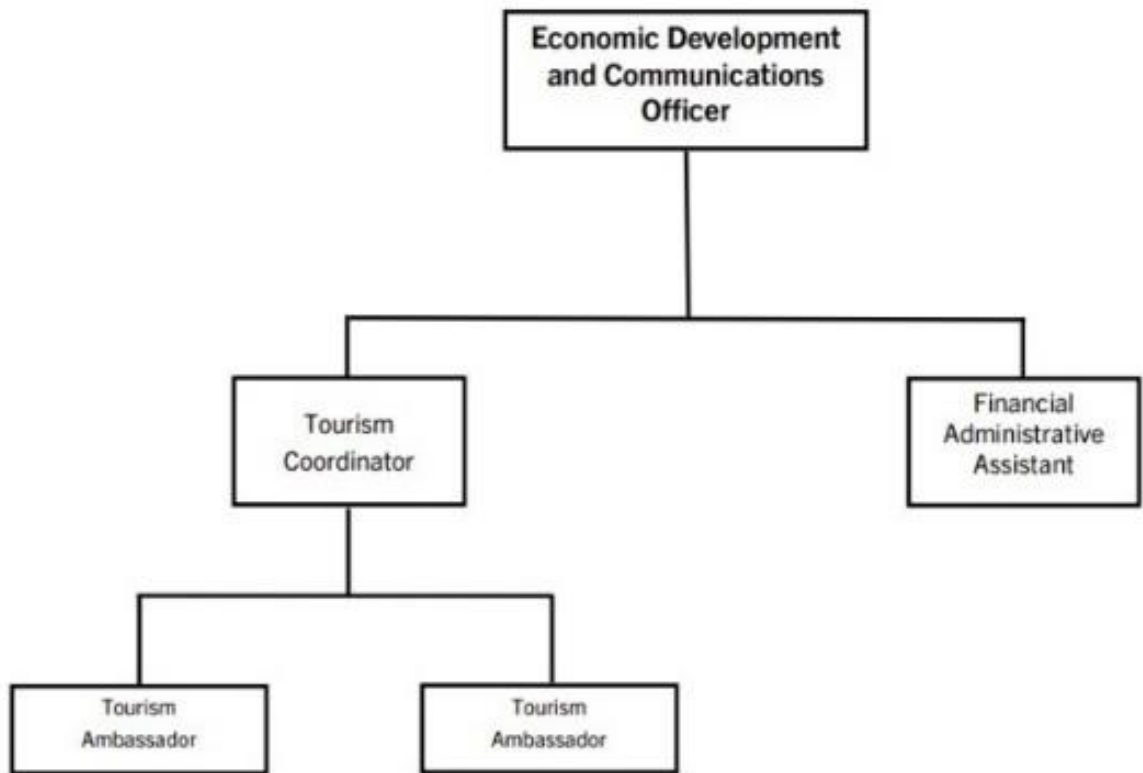


STAFFING

	Positions	Hours Worked per Year
Full Time Positions	1	1820
Contract Positions	0	0
Student	2	800
Full Time Equivalent		1.44

These positions are often supported and supplemented by the Economic Development & Communications Officer and the Financial Administrative Assistant (Ec Dev).

ORGANIZATIONAL CHART



SERVICE BACKGROUND

Tourist Information Centres

The Municipality previously operated the Greenstone Interpretive Centre until its permanent closure due to the construction of a new gold mine at the end of the 2021 season. The centre had historically operated from May -September.

The Municipality operates a Tourist Information Centre (TIC) in Longlac from May-September (dependant on staffing). The TIC is used mainly as a bathroom stop, with very few visitors actually seeking information from within. The below numbers are based on total visitors and not vehicles or groups.

Number of visitors:

- 2019 - 1337
- 2020 - 827
- 2021 – 350 (COVID)
- 2022 - 750
- 2023 - 862

Tourism Coordinator

The Municipality of Greenstone hired a Tourism Coordinator Intern in 2010 for a one-year term (June-July) with funding from the Northern Ontario Heritage Corporation. A full-time permanent union position was created and implemented in October 2013. The position has been vacant since December 2022 with the Economic Development and Communications Officer assuming some of the associated duties.

Tourism Strategy

The Tourism Coordinator was tasked with the development of a Tourism Strategy to assist in boosting tourism in the Greenstone area. Funding was applied for and approved from FedNor and the Northern Ontario Heritage Corporation Fund. A consultant was hired, and a Brand Advisory Group was formed. The result of this process was the Tourism Brand Strategy and the Marketing Communication Plan. Both were completed and presented to Council in 2015.

In order to implement the recommendations of both plans, funding was applied for, and approved by, the Rural Economic Development Fund (RED) in 2017. Through this funding, the following initiatives took place:

- The Municipal Visual Identity was created and approved by Council for implementation.
- Twenty-seven (27) billboards were designed and placed strategically throughout the Municipality and the Province of Ontario. Twenty-five (25) were permitted through the MTO. The other two (2) are located on Municipal property and do not

- require permits.
- Banners were created and purchased for display in four (4) Wards of the Municipality.
- A marketing campaign was developed and implemented. The campaign consisted of online and prints ads in various publications.

Wayfinding

Wayfinding was identified as a recommendation in the Tourism Strategy. In 2019 the Municipality received funding from Destination Northern Ontario to develop and install wayfinding signage throughout the Municipality. Though a few of the signs delivered were installed by the Public Works, the signage originally delivered was not what was ordered. The project was halted while the supplier remade the signage. The new signage is in storage in a Public Works facility. The PW Departments does not currently have the human resources to complete the installation. Council approved funds for the signage installation by a third party in the 2024 Capital Budget.

Gateway Design

In 2018 a consultant was engaged to develop a “Community Gateway Design” at the east and west entrances to the Municipality of Greenstone utilizing the Tourism Brand Strategy as a guide. The design project, though small scale, was completed. Funds have not been available to implement the design ideas.

North of Superior Travel Association Membership (Superior Country)

The Municipality purchases a membership for the North of Superior Travel Association (NOSTA) - Superior Country yearly. The membership (\$1,000) provides a substantial benefit to Municipality’s tourism sector. Through this membership, the Tourism Coordinator was able to attend five (5) tradeshow in Northern American States and Toronto, fully funded by Superior Country.

Superior Country also publishes a yearly “Superior Country Travel Guide” that focuses strongly on hunting and fishing which the Municipality advertises in. By purchasing an ad in the publication, Superior Country lists all registered Tourist Outfitters with contact information supplied by the Municipality. A Lake Superior Circle Tour Guide is also published by the association with a map detailing highway 11 and Greenstone as an alternate route. These guides are widely distributed throughout Canada and the United States and is also available through request on the “Superior Country” website. In addition, we are also able to access referrals through their website questionnaire.

The former Tourism Coordinator sat on the Superior Country Board of Directors and was able to contribute to decision making process of the organization.

TODS

Canadian TODS Limited is responsible for the administration and operation of Ontario's Provincial Tourism-Oriented Directional Signing Program (TODS) for Ontario's Ministry of Heritage, Sport, Tourism, and Culture Industries as well as the Ministry of Transportation. These are the blue signs with white writing that are found on Highways. The signage has an approximate cost of \$4,000 per year and is included in the Economic Development operations budget.

Municipal Grants and Resource Policy

The Municipality supports many tourism related events and activities through the Municipal Grants and Resource Policy. The policy provides for financial assistance to organizations for community events and beneficial projects. The policy also provides for in-kind assistance in the form of staff time, facility use, tents, tables, etc. for many events such as Summerfest, the Nakina Bass Tournament, the Walleye Masters, and the Walleye Classic. The program is administered by the Economic Development & Communications Department. The budget currently lies within the Recreational Programs operating budget.

KEY PERFORMANCE INDICATORS

A Key Performance Indicator for Tourism is the number of visitors to the area. Establishing a baseline for this requires the participation of local business owners. These same owners would need to be relied on, and willing to, provide measurable statistics. Total Attendance at Festivals and Cultural Events: Attendance for festivals and events in a municipality demonstrates the engagement of residents and tourists with the broader cultural community.

Number of Festivals and Cultural Events: The number of festivals and cultural events held in a given time frame is a good metric for evaluating the cultural, artistic, and entertainment options that might attract residents and tourists to a municipality.

Number of Municipal Website Visitors (Tourism pages only): A municipality's website is one of the main tools of communication and collaboration. Observing the number of website visits in a given time period helps to understand its effectiveness.

ASSET USE

Tourism utilizes the Tourist Information Center (TIC) located at 129 Indian Road, in Longlac. The Municipality has 27 billboards across Ontario that were purchased in 2018 for approximately \$40,000 (+installation costs).

The Tourist Information Centre is in good condition with a 5-year FCI of 5.4% as the building replacement cost is \$819,375 and the 5-year recommended remediations costs are \$40,226. The building was reportedly constructed in 1991. The building is a single-story structure with a gross area of approximately 167 SM (1798 SF). The tourist center includes an office, washrooms, storage, and a utility room.

ANALYSIS

Options:

1. Discontinue all Tourism related services and activities.
2. Continue all tourism related activities and hire a full-time Tourism Coordinator.
3. Expand Tourism related activities and increase the overall budget.
4. Continue all established Tourism related services and activities, including operations of the Tourist Information Centre in Longlac. Consider hiring a Recreation /Tourism Coordinator.
5. Discontinue operations of the Tourist Information Centre in Longlac. Continue all established Tourism related activities. Consider hiring a Recreation /Tourism Coordinator. The Economic Development and Communications Officer will continue the administration and management of contracts with outside entities (MTO, TODS, NOSTA-Superior Country). Additional duties, such as website updates, tourism operator updates for advertising, and tourism related inquiries will be handled by Economic Development and Communications Officer and the Financial Administrative Assistant - Economic Development. The washrooms at the Centre will be opened during the summer months with their responsibility being transferred to Parks and Recreation Department. **RECOMMENDED**

Tourism is vital to the Municipality of Greenstone and is a large part of our identity. The Visual Identity and branding Greenstone as “Nature’s Hometown” has been positively received by visitors and new industry. Promotion through established channels (billboards, TODS, advertising) should continue and is able to be managed by the Economic Development and Communications staff.

Tourism outfitters in the area were contacted in 2015 by the Tourism Coordinator. Forty-four (44) resort owners were contacted, with twelve (12) responding. Through a poll of these twelve (12) data was collected to create estimates to determine the impact these businesses have economically. It was concluded that these businesses collectively employ approximately one hundred and sixty-two (162) people (most of these come from other areas and go directly to outpost camps for the season).

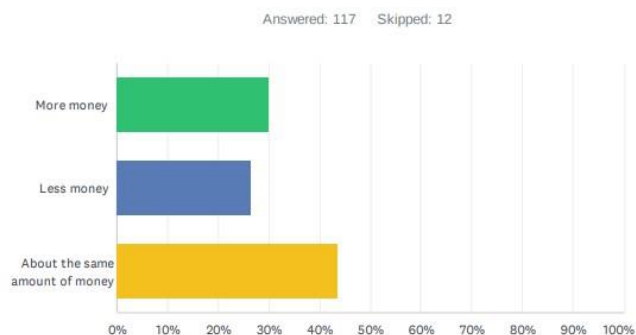
As of 2023, it is estimated that there are now around thirty-three (33) outfitters in our area. While we are aware of one buyout/amalgamation, several outfitters have ceased operations since 2015. Of those that have discontinued operations, some are due to retirement and no sale of the businesses. The total visitor spending is estimated at approximately \$15 million, and the Gross Domestic Product (GDP) Direct impact is

estimated approximately \$7.3 million. (Figures were based on 15,000 visitors spending \$1,000/person and realized through use of the Tourism Regional Economic Impact Model (TREIM) provided by the Ministry of Tourism, Culture and Sport).

Through conversations with owners, they are struggling with the same issues as all other sectors: difficulty finding staff, increased insurance, and increased fuel costs. The effects of the COVID shutdowns are still being felt, as staff who could not cross the border during that time have moved on. In addition, some long-term repeat customers were lost during the pandemic as well.

The below graph is from the 2024 Q1 SSDR survey that was completed by residents.

Q3 The Municipality currently budgets approximate \$125,000 per year for tourism (wages, signage, Tourist Information Centre operations, advertising in tourism brochures).***This amount does not include campgrounds operated by the Municipality.***Do you feel the Municipality should invest:



ANSWER CHOICES	RESPONSES
More money	29.91% 35
Less money	26.50% 31
About the same amount of money	43.59% 51
TOTAL	117

Tourist Information Centres

The Tourist Information Centre (TIC) provides a rest area for visitors and is the only advertised public indoor bathroom on the Highway through Greenstone. It provides an area to play and to picnic. Very few visitors request brochures and/or information regarding local attractions/activities. The most popular questions historically are regarding best fishing spots and/or directions to a particular store, though those requests do not occur very often (less than 5%). It is important to note that most information is available online. With the current budget of \$35,000 per year, the current cost per visitor to the TIC is approximately \$40 per visitor. This means a family of four (4) stopping to use the bathroom facilities cost municipal taxpayers \$160. The TIC, in its current state does not have many resources, and does not offer a unique experience. With the limited resources the Municipality has to invest we need to question if this is the best investment for them.

Visitor behaviour has fundamentally changed. *“Today, smartphones are filling the information gap more thoroughly and conveniently than visitor centres can. The mobile internet has dramatically changed the way visitors plan their trips, and today, many visitors are finding that support online, anywhere they go.”*¹ There is also a growing trend of brick-and-mortar TIC closures around the globe which started over ten (10) years ago. Without additional attractions such as an art gallery, store, interactive display or café, TICs have become bathroom stops.

It has become increasingly difficult to recruit staff for the TIC. Recent years have seen a reduction in operating hours due to the fact that post-secondary students have not been applying for the available positions, causing the TIC to only be open for July and August which is fitting for high school students.

The facility could be repurposed, demolished to increase parking and/or greenspace, or sold to another entity. The opening, closing, cleaning and stocking of the washrooms during summer months could be assigned to Parks and Recreation staff. The funds could be used for other tourism related projects or reallocated to other budget items such as recreation programming. Should the facility be sold there would be a cost of \$5,000-\$7,000 to have a new R-plan assigned.

Municipal Ward Offices are often where visitors stop to request information.

Tourism Coordinator

With the completion and implementation of the Tourism Strategy (Tourism Brand Strategy and the Marketing Communication Plan) it is recommended that the Tourism Coordinator be discontinued as a full-time position. This is not to say that the Municipality should not support tourism, rather it should reassess the way in which tourism services are delivered.

Tourism Strategy

The recommendations of the Tourism Brand Strategy and the Marketing Communication Plan developed in late 2015 have been implemented as per Council direction.

Ongoing costs related to the strategy are limited permitting fees for the twenty-five (25) billboards located throughout Ontario. These fees are paid to the Ministry of Transportation of Ontario (MTO) and cost \$149.20 per permit per year. In 2018 the MTO changed the billing cycle from yearly to every 5 years.

Wayfinding

The Wayfinding signage is set for installation in 2024 as per the Municipal Capital Budget.

¹ Destination Think article “Do Your Visitors Still Need A Visitor Centre? March 2018

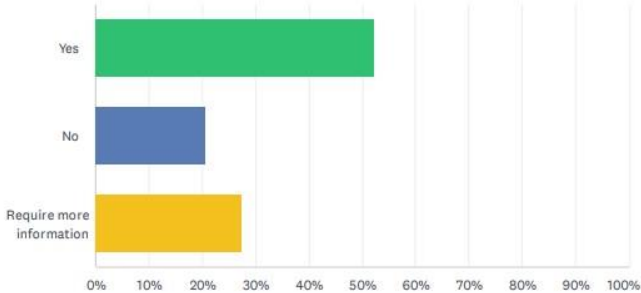
Gateway Design

The Municipality has developed a Beautification Strategy and is in the process of developing a Recreation Master Plan and a Playground Master Plan. These plans, and the previously completed Gateway Design, can be used to apply for funding.

The below graph is from the 2024 Q1 SSDR survey that was completed by residents.

Q4 Would you agree with the Municipality investing in tourism/beautification initiatives? (Ex: expanded rest areas at our gateway entrances.)

Answered: 117 Skipped: 12



ANSWER CHOICES	RESPONSES	
Yes	52.14%	61
No	20.51%	24
Require more information	27.35%	32
TOTAL		117

North of Superior Travel Association Membership (Superior Country)

The Municipality’s membership with Superior Country allows for the opportunity to advertise ourselves and area Tourist Operations in a publication that are distributed at Trade Shows by Superior Country staff. This publication is also available online and at various locations in and around “Superior Country”.

It would be beneficial for the Municipality to have a voice on the Superior Country Board of Directors. The Economic Development and Communications Officer has asked if a member of Council would be permitted to have a seat on the board and the response was positive. The Board meets quarterly, and remote participation is allowed. The term would be for three (3) years or until the end of the current Council term.

TODS

Tourism-Oriented Directional Signage (TODS) is a well-established program throughout the province. Travellers have come to rely on these easily recognizable signs.

Municipal Grants and Resource Policy

The contributions of the Municipality to volunteer organizations and events are vital to the continuation and growth of such things. Many of these events would not be possible without the contributions of the Municipality.

As per SDR-03 (Recreation Programs) a new Municipal Grants and Resource Policy will be developed for Council approval. It is intended that the revised policy will provide clarity on what the Municipality will support, and when. The policy should be presented to Council at the February 26, 2024 Meeting.

IMPROVING IN-HOUSE PROCESS AND PERFORMANCE:

Discontinue the full-time Tourism Coordinator position and assess alternate use of the funds to deliver a more value-add service to the Municipality.

Visitors could be redirected to Municipal Ward Offices should the closure of the Tourist Information Centre occur. This currently happens without advertising in the Beardmore, Geraldton and Nakina Wards.

ADJUSTING SERVICE LEVELS:

The discontinuation of the full-time Tourism Coordinator should not affect any service levels set by Council. Doing so would allow for a reallocation of the funds to a more value-add area, possibly a recreation/tourism position.

It is advised that a tourism focused committee be formed in the future to initiate and implement tourism related initiatives. The composition may be affected by whatever decisions are made regarding Municipal Accommodation Tax implementation.

COST AVOIDANCE: OPERATING COSTS AND CAPITAL INVESTMENTS:

The continued operation of the Tourist Information Centre would mean that future maintenance will be required. Yearly operating costs are approximately \$35,000. The current the 5-year recommended remediations costs are \$40,226. Closure and divestment of the Centre would omit those costs A closure of the TIC without divesting would incur operational costs of approximately \$6,000 per year (insurance, utilities).

ENHANCING AND EXPANDING SERVICE LEVELS:

Short-Term Accommodations

Short-term accommodation rentals are being advertised through well-known online booking systems within the Municipality. Greenstone currently does not have any policies and/or by-laws regulating these types of rentals.

There are clear benefits to these types of accommodations. By opening unused space in

a home, communities can quickly add to tourist-accommodations capacity without large capital or environmental costs. It also creates micro-businesses generating economic growth in our area.

While short-term rentals are important to tourism and the local economy, it is imperative that regulations be put in place. Local hotels, bed and breakfasts, and campground operators must abide by by-laws and regulations and pay taxes accordingly. In addition to rooms being rented out in occupied homes, entire houses are being purchased and made available through on-line booking sites. It is unfair to allow unregulated short-term rental operations to continue to be a competitor of these businesses without implementing policies. Should Council decide to implement a MAT, businesses such as these should be included in the plan and, therefore, regulations should be put in place prior to implementing a MAT.

There are many aspects to consider in the development of a Short-Term Accommodation licensing by-law. These include development of a licensing program, and enforcement program that is designed to address issues causing negative impacts on neighbouring sites, specifically including provisions covering:

1. On-site parking;
2. Availability of STA site manager to address issues;
3. Occupancy limits;
4. Fire safety provisions;
5. Infraction reporting mechanisms to operators and their on-line marketing and rental agencies; and
6. Availability of municipal enforcement officers during evenings and weekends.

First steps involve the following:

- Provide an outline of data related to short-term accommodations within the Municipality using only existing available data, which may include:
 - number and characteristics of units;
 - history of related by-law enforcement files;
 - reported complaints and characteristics of complaints (reported through official and unofficial channels);
 - identified negative impacts;
 - locations and distribution;
 - current framework of land use management and by-law / policing enforcement for STAs
- Review and provide an outline of licensing by-laws and processes adopted by other municipalities on this subject, identifying information about:
 - benefits;
 - challenges;
 - costs;
 - processes and standard operating procedures;
 - time for implementation.

- Outline of a recommended licensing by-law option for moving ahead with addressing negative impacts from short-term accommodations for Council's consideration indicating:
 - costs and necessary resources;
 - expected outcomes;
 - key implementation actions;
 - forecast of timing for implementation;
 - human resources;
 - revenue;
 - procedures;
 - required templates / procedures;
 - limitations;
 - necessary partners.

Municipal Accommodation Tax (MAT)

The MAT is a revenue tool that Ontario municipalities can use to further promote tourism as an economic driver within their city boundaries and the province as a whole. The MAT is not a tax on local businesses, but a tax charge to patrons. All single-tier and lower-tier municipalities have the authority to put a MAT in place. The tax (set between 3% and 5% of accommodation fee) may be applied to fixed roof accommodations of less than 30 consecutive days and includes accommodations at hotels, motels, motor hotels, lodges, inns, resorts, bed and breakfasts, or other establishment providing lodging including those sold through online platforms. The MAT can also be applied to campgrounds - in a tent, trailer, vehicle, recreational vehicle, or other structure on a campsite or in a campground, regardless of whether the tent/trailer/vehicle/recreational vehicle/structure is brought to the campsite/campground by the patron or if it is existing on the campsite or in the campground. Council may choose to apply the tax to some or all the listed accommodation types. For reference, should Council implement a 2% MAT, this would add \$2.00 per a \$100.00 accommodation charge.

The Municipality currently has approximately:

- 9 hotels/motels
- 3 Bed and Breakfasts
- 8 Tourist Outfitters
- 6 Campgrounds

There are also twenty plus (20+) listed short term rental accommodations on various websites such as airbnb.ca, rentbyowner.com and vrbo.com.

There are approximately twenty-five (25) additional "local" Tourist Outfitters who operate outside of the Municipal boundaries and do not pay Municipal taxes and would not be subjected to the MAT.

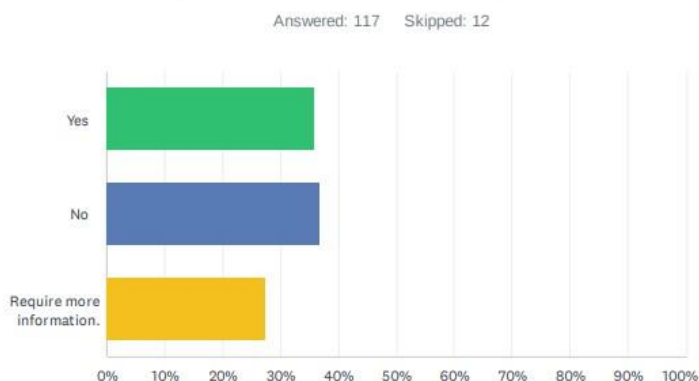
Fifty percent (50%) of the revenues received are to remain with the Municipality to use in accordance with Council direction and fifty percent (50%) of the revenues received are to be remitted annually to one or more eligible not for profit tourism entity(ies).

“Eligible tourism entity” is defined broadly in the Regulation as a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality. These funds are to be used exclusively for promoting tourism.

Implementation of a MAT will be time consuming and may require adjustments to current Council priorities for 2024. At the January 15, 2024 Regular Meeting of Council, Council directed staff to bring a report regarding MATs in similar northern communities to the March 1, 2024 Regular Meeting (Motion 24-06).

The below graph is from the 2024 Q1 SDR survey that was completed by residents.

Q5 The Municipal Accommodation Tax (MAT) is a revenue tool that Ontario municipalities can use to further promote tourism as an economic driver within their city boundaries and the province as a whole. The MAT is not a tax on local businesses, but a tax charged to patrons for overnight accommodations. 50% of generated revenues must be remitted to not for profit tourism entity(ies) and 50% of the revenues received are to remain with the Municipality to use in accordance with Council direction. Do you think the Municipality should initiate a Municipal Accommodation Tax?



ANSWER CHOICES	RESPONSES
Yes	35.90% 42
No	36.75% 43
Require more information.	27.35% 32
TOTAL	117

Individuals were also asked to provide a reason for their response. Most who provided reasoning either for or against, gave like answers. Some samples of those answers provided are below.

In favour comments:

- “Added revenue for the Municipality without penalizing the taxpayers.”
- “To help pay for services used by visitors who use overnight accommodation in our communities and other municipal services (eg boat launches)”
- “Most places do”

- *“The more revenue u can generate, the more you will be able to advertise the area”*
- *“Additional revenue not on the tax bill”*
- *“If this is a potential way to increase revenues and beautify our municipality without burdening our visitors with too large an increase, it is a benefit to all.”*

Against comments:

- *“This is a discouragement of Tourism”*
- *“Tourists already pay enough, the cost of everything has risen so high we are lucky to still have the amount of tourists coming that we do. They won’t like it, some will choose to go elsewhere which will give tourism a loss in revenue in greenstone. Why hurt the tourists system more? You say it’s not to the business but it doesn’t matter, taking more for the guests will have the same negative impact. Why not reach out to the tourist operators and ask what they think this will do to their business’s?”*
- *“Part of creating a positive tourism profile is by providing reasonable prices for accommodations. The MAT is a petty way to set a negative mind set in potential tourists. It will also put in another level of work for local tourism providers who have to collect it and submit it. BAD IDEA.”*
- *“This may deter tourists staying in Greenstone when surrounding communities don’t charge the additional fee. Reservation system fees are already being charged to tourists. Plus Our HST rate is already higher than most provinces.”*
- *“Will keep tourists from visiting here.”*
- *“Until visitors are coming to the Greenstone area as they once were, I think we should hold off on implementing an additional tax. We need to entice them here to visit, not scare them away with an added tax. Also, it would be nice to see that if this accommodation tax were implemented once tourist visits are increasing, that the share that goes to the municipality also be utilized for tourism marketing purposes or tourism facility development.”*

NEW REVENUES:

The implementation of a Municipal Accommodation Tax (MAT) has an estimated potential revenue stream of \$200,000 that would be split equally between the municipality and the tourism entity partner (Report CORS 214-23).

ALTERNATIVE SERVICE DELIVERY INCLUDING SHARED SERVICES OR CONTRACTING OUT:

A Tourism Board led by the Municipality made up of a member of Council and/or staff, area business owners and volunteers could be established to manage tourism efforts and initiatives. Financial support could be provided through the Municipal Accommodation Tax (should it be implemented) with some subsidy from the Municipality.

A Tourism Board led by another entity, made up of a member of Council and/or staff, area business owners and volunteers could be established to manage tourism efforts and initiatives. Financial support could be provided through the Municipal Accommodation Tax (should it be implemented) with some subsidy from the Municipality.

Should the MAT be implemented in the Municipality of Greenstone in accordance with

Transient Accommodation Tax Regulation 435/17, a not-for-profit eligible tourism entity would need to be engaged. Tourism efforts and initiatives could be managed through that entity.

A third-party organization with previous experience could be engaged to develop a plan for the implementation of the Municipal Accommodation Tax.

SERVICE STRUCTURE AND STAFFING REALIGNMENT:

Having completed the implementation of the Council approved recommendations in the Marketing Communication Plan and the Tourism Brand Strategy it is recommended that the Tourism Coordinator position be eliminated in its current form. It is suggested that consideration to be given to a shared position (rec/tourism) in the future.

The Municipality will continue to promote Tourism through membership with the North of Superior Travel Association and advertisement in relevant Tourism guides and publications (funded through the Economic Development operating budget).

The administration of the TODS, the MTO permitting for the billboards, and other associated duties will be handled by the Economic Development & Communications Officer and the Financial Administrative Assistant (Ec Dev).

DISCONTINUING THE SERVICE (IF APPLICABLE):

The Tourist Information Centre is used mainly for washroom facilities. Very few visitors request brochures and/or information regarding local attractions/activities. The most popular questions are regarding best fishing spots and/or directions to a particular store. It is important to note that most information is available online. The facility could be repurposed, demolished to increase parking and/or greenspace, or sold to another entity. Should the facility sit idle, the Municipality would incur operational costs of approximately \$6,000 per year (insurance, utilities).

FINANCIAL IMPACT

NEW REVENUES

The implementation of a Municipal Accommodation Tax (MAT) has an estimated potential revenue stream of \$200,000 that would be split equally between the municipality and the tourism entity partner (Report CORS 214-23).

The divestment of the Tourist Information Centre would result in a onetime revenue sum. Associated costs (i.e. new R-Plan) would be \$5-\$7 thousand dollars.

DISCONTINUE OPERATIONS OF TIC

As noted above, yearly operating costs are approximately \$35,000. The current the 5-year recommended remediations costs are \$40,226. Closure and divestment of the Centre would omit those costs.