



Recommendation from EDAC Municipal Accommodation Tax Committee

Date: March 6, 2019

From: Tannis Drysdale, Economic Development Consultant

Beginning Jan 1 2019, the Town of Fort Frances introduced created a Municipal Accommodation Tax (MAT) on January 1, 2019 which implements a four percent (4%) tax on all accommodation that is less than 30 days in the Town of Fort Frances.

- Council designated the Rainy River Future Development Corporation as the Town's partner as the Designated Marketing Organization. These funds will be used to support tourism promotion for Fort Frances.

This committee will guide the spending of the MAT funds. The RRFDC has established separate accounts for the MAT funds and those accounts will be audited with the RRFDC annual audit.

To this end, the Town and the RRFDC will enter into an agreement similar to other agreements with the RRFDC. An agreement is attached to this report that mirrors the agreement that the City of Thunder Bay has with its economic development corporation for utilization of the MAT funds.

EDAC also has provided input to Council that it wishes Council forward to the RRFDC as advice of the Towns preferred general make up of the committee.

Suggested committee makeup:

1. **One** appointed member of Fort Frances Council
2. Up to **One** each designate of each tourism/accommodation providing business with more than 10 rooms in Fort Frances
3. Up to **Four** total representatives of Fort Frances based community festival, event or sport organizations.
4. **One** designated representative from the Fort Frances Museum
5. **One** designated representative of the Fort Frances BIA.
6. **One** designated representative of the Fort Frances Chamber.

The RRFDC plans to apply for funds in 2019 from the Ontario Heritage Fund and/or Tourism Ontario to access the assistance of an agency who will develop a five-year promotion plan for the committee. This plan will include a product review, a target market review and a suggested detailed promotional budget with goals.

Please note the Agreement requires both financial and written report to Council. The Agreement requires the RRFDC to comply with all requirements outlined in the current Ontario MAT legislation and any changes or updates to that legislation.