
TO: MAYOR J. LEHMAN, AND MEMBERS OF COUNCIL

FROM: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

NOTED: Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: TOURISM SERVICES REVIEW UPDATE

DATE: OCTOBER 16, 2017

The purpose of this memorandum is provide an update to General Committee regarding the status of the Tourism services review.

In January 2017, City Council adopted motion 17-G-023 as follows:

1. Invitation to Provide a Presentation – Tourism Barrie Amendment: Tourism Barrie be referred to staff in Invest Barrie and the Chief Administrative Officer to allow for a meeting to be held with the Board and staff in Tourism Barrie to review matters addressed in the presentation provided to General Committee on January 30, 2017 including the service delivery model, Destination Marketing Fee, and ensuring collaboration between tourism agencies, and report back to General Committee.

Since the receipt of Council Direction, the Province released their budget for 2017 that included the ability for municipalities to charge a hotel tax.

The proposed changes are outlined as follows:

- The City of Toronto Act, 2006 (COTA) gives broad, permissive authority for the City to levy its own taxes, but does not allow it to levy a tax on transient accommodation (hotel tax). It is proposed the authority in COTA would be amended to remove this exclusion. It is also proposed that the authority to levy a hotel tax would also be extended to single-tier and lower-tier municipalities through proposed amendments to the Municipal Act, 2001
- All municipalities that adopt the hotel tax and that have an existing Destination Marketing Fee (DMF) program in place would be required to share their hotel tax revenue with the appropriate not-for-profit tourism organization in an amount that matches the total revenue generated by the existing DMF program.
- For local municipalities where such a program does not exist, at least 50 per cent of their hotel tax revenue would be shared with the respective Regional Tourism Organization or a not-for-profit tourism organization.

Barrie does not have a Destination Marketing Fee program in place and as such, would be subject to 50% of the funds being shared with the respective Regional Tourism Organization or a not-for-profit tourism organization. This Provincial budget item has not yet been proclaimed and City staff along with Tourism Barrie are awaiting the detailed, associated regulations/legislation in order to analyze its impact and provide a follow-up recommendation to Council accordingly. It is anticipated that the details will be provided before the end of 2017 for staff to begin their analysis.



INVEST BARRIE MEMORANDUM

Upon further instruction and information from the Province related to this item, staff will continue the analysis of tourism services and opportunities in context with the hotel tax regulations, Invest Barrie strategy and current Tourism Barrie service functions. Until such time, Tourism Barrie will be proceeding 'business as usual' and submitting a funding request as part of the City's budget process in order to continue tourism service delivery within the City. The service model and associated tourism sector development opportunities will be reviewed between Staff and Tourism Barrie in context with direction from the Province related to the proposed hotel tax. A presentation and report back to General Committee will follow.