

### REPORT OF THE MANAGER OF ECONOMIC DEVELOPMENT FOR THE CONSIDERATION OF COUNCIL

#### OBJECTIVE

To provide Council with information pertaining to the status of the proposed Accommodation Tax.

#### RECOMMENDATION

**THAT** the report of the Manager of Economic Development dated July 20, 2021 be received;

**AND WHEREAS** the following resolution was passed at the November 25, 2019 meeting of Council: "Resolution 453/19 - That the referral from the Economic Development Standing Committee re: Accommodation Tax be referred back to the Economic Development Advisory Committee for further consultation with proponents over a three-month period"

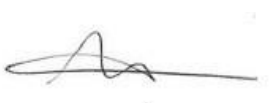
**AND WHEREAS** EDAC could not complete the consultation as directed due to closures as a result of the ongoing pandemic;

**BE IT RESOLVED** that Council provide direction to staff to complete additional public consultation on the proposed Accommodation Tax as recommended by the Economic Development Standing Committee;

**AND THAT** a summary report and recommendation be presented to Council for inclusion in the 2022 budget process

Respectfully Submitted

Approved by



Ashten Vlahovich  
Manager of Economic Development



Natalie Bray  
Acting Chief Administrative Officer

## BACKGROUND

The Economic Development Advisory Committee reviewed and drafted a report detailing the opportunity to implement an accommodation tax in Elliot Lake. At the meeting of EDAC held Thursday August 15, 2019 the following resolution was passed:

**Res# 13/19**

**Moved by: E. Pearce**

**Seconded by: F. Henwood**

“That the Economic Development Advisory Committee requests that the Economic Development recommends to City Council that the City adopt a 4% accommodation tax.”

The recommendation and report were reviewed at the November 20<sup>th</sup> meeting of EDC and forwarded to Council for debate (Res No. 44/19).

The report from EDAC, “*Municipal Accommodation Tax Implementation*”, was discussed at the regular meeting of Council held November 25, 2019. Drafted and presented by Councillor Turner, the potential for implementing an Accommodation Tax that would fund a non-profit entity ‘*Tourism Elliot Lake*’ that would provide tourism promotion and development was debated as an option for the community. The report is attached for reference.

Although EDAC did consult with some stakeholders stating they were in favor of the tax in report, there were others who attended the meeting and shared their opposition to the proposed Tax.

## ANALYSIS

As Council wanted to ensure all stakeholders were contacted in regards to this matter prior to moving forward they voted in favor of referring the item back to EDAC for more consultation over a three-month period. The committee was to meet with all potentially affected proponents and some form of public consultation and report back the % of proponents in favor and those against to provide insight for Council to more thoroughly vet the idea for implementation.

Unfortunately for a number of contributing factors with the largest being the closures due to pandemic lock downs and stay at home orders, EDAC was unable to complete the additional consultation as requested by Council.

At the July 19 meeting of EDC, staff presented the current situation in regards to the proposed tax and recommended additional time for staff to review the current environment post-covid, its impacts on the



tourism industry, including the advantages and disadvantages of this tax as a result thereof, and time for the stakeholder consultation to take place. Staff were directed to provide a report to Council at the next meeting for an update and recommendation in regards to the outstanding direction from Council in relation to the proposed Accommodation Tax.

There was also some discussion about which department would be the best fit for this department, with a suggestion that it move from Economic Development to the Clerks & Planning department. If Council approves the review and additional consultation, both departments will work together to provide the summary and recommendation deliverable back to Council which will include the specified department assigned to the project should it be recommended for implementation.

## **FINANCIAL IMPACT**

Overall financial impact for the review and consultation will be nominal in nature for staff time and meeting incidentals.

## **LINKS TO STRATEGIC PLAN**

Direction to staff to complete additional review and stakeholder consultation of the EDAC recommended 4% Accommodation Tax supports the following goals of the strategic plan

- Explore eco-tourism and geo-tourism possibilities and challenges as part of a tourism package
- Capitalize on opportunities for diversification and community growth
- Support local business community
- Strong Municipal Corporate Administration and Governance
- Strong Financial Foundation for the Municipality

## **SUMMARY**

Due to the impact an Accommodation Tax will have, and concern voiced by proponents who would be affected; it is recommended that time to review the proposed tax and implementation plan is in the best interest of the Municipality for Council to make an informed decision on how to proceed.

