

<p><b>CORPORATE POLICY and PROCEDURE</b></p>	 <p><b>WOOLWICH TOWNSHIP</b></p>	<p>Policy No.: CU-02 Pages: 11 Effective Date: March 18, 2025 Supercedes: N/A</p>
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**SECTION: Culture**

**SUBJECT: Municipal Accommodation Tax Administration Policy**

PURPOSE .....2

DEFINITIONS .....2

MUNICIPAL ACCOMMODATION TAX BACKGROUND .....3

    Introduction of Municipal Accommodation Tax.....3

    Stakeholder Engagement .....3

POLICY SCOPE .....3

POLICY COMMUNICATION .....3

POLICY.....4

    Roles and Responsibilities.....4

        Mayor and Council .....4

        Senior Management Team.....4

        Economic Development and Tourism Officer .....4

        Explore Waterloo Region .....4

        Region of Waterloo .....4

        Regional Tourism Organization 4 (RTO4) .....5

    Use of Funds .....5

        Municipal Accommodation Tax Reserve Fund .....5

        Annual Allocation of Funding.....5

        Municipal Accommodation Tax Priorities .....5

    Example uses of the Municipal Accommodation Tax .....6

    Examples of what the Municipal Accommodation Tax can't be used for .....6

    The Woolwich Way Funding Programs.....6

        The Woolwich Way – Destination Development Fund .....7

            About the funding stream.....7

            Funding stream selection criteria .....7

Eligibility .....	7
Structure and process .....	8
Examples of a successful project or program .....	8
The Woolwich Way – Marketing Material Fund .....	8
About the funding stream.....	8
Funding stream selection criteria .....	9
Eligibility .....	9
Structure and process .....	10
Examples of a successful project or program .....	10
Continuous Improvement, Evaluation, and Reporting .....	10
POLICY STATEMENT .....	11

## PURPOSE

The purpose of this policy is to outline how Municipal Accommodation Tax (MAT) revenues, held in the Township of Woolwich’s MAT reserve fund and from future collections, can be allocated.

This policy will:

- Set guidelines for implementing the MAT reserve fund and annual allocation of funding.
- Set guidelines for funding streams administered by the Township of Woolwich to support community-led initiatives that promote tourism and grow Woolwich’s visitor economy and increase overnight stays.
- Provide alignment with the Woolwich Economic Development and Tourism Plan, and Township of Woolwich Community Strategic Plan.

## DEFINITIONS

### Conflict of Interest:

Includes:

- Any applicants shall declare to the Township as part of their proposal any situation that may be either a conflict of interest or a potential or perceived conflict of interest with their proposal.
- No member of the Township and no officer or staff member of the Township are, will be, or shall become interested, directly, or indirectly, as an applicant or otherwise in the performance of any contract resulting from this solicitation or in the supplies, work, or business in connection with any such contract or in any portion thereof, or in any monies to be derived there from.

**Council:** Council of the Township.

**Incorporated:** Entities incorporated under either federal or provincial legislation. This can include either non-profit or for-profit organizations.

**In Good Standing:** This means that the business or organization is not in arrears with the Township of Woolwich. This can include but is not limited to property taxes, utilities, and/or accounts receivable.

**Municipal Accommodation Tax:** A direct tax of four (4) per cent of the Purchase Price on room nights sold, under 30 consecutive days or less.

**Not-for-Profit:** Not-for-profit corporations are organizations that provide products or services to improve or benefit a community and are incorporated as a non-profit either provincially or federally.

**Senior Management Team:** Includes the Chief Administrative Officer and Directors within the Township of Woolwich.

**Tourism Product:** A tourism product is considered any product, service, event or offering that is intended to attract visitors.

**Township:** The Corporation of the Township of Woolwich.

**Visitor:** A visitor is considered anyone who visits Woolwich from more than 40 kilometers away who is not making a routine trip.

## **MUNICIPAL ACCOMMODATION TAX BACKGROUND**

### Introduction of Municipal Accommodation Tax

On April 9, 2019, Council approved the establishment of a by-law for implementation of a mandatory 4% MAT for hotels and airbnb's in the Township of Woolwich effective July 1, 2019. The revenue-sharing model approved by Council included 50% to Explore Waterloo Region, 40% to the Township, and 10% to the Region of Waterloo. Explore Waterloo Region receives 100% of Airbnb revenues.

The Township's portion of MAT revenues are directed to:

- strengthening the local tourism economy;
- encouraging overnight stays;
- supporting strategic community and cultural development initiatives; and
- enhancing the Township's reputation as a vibrant, sustainable, and inclusive destination.

### Stakeholder Engagement

Key tourism stakeholders were actively consulted through a combination of one-on-one discussions and group feedback opportunities. The municipality remains committed to ongoing engagement with tourism stakeholders and BIAs, recognizing that a collaborative approach is essential for long-term success. Future engagement efforts will continue to provide opportunities for dialogue, feedback, and partnership development to support a thriving tourism sector that benefits the entire community.

## **POLICY SCOPE**

The Municipal Accommodation Tax Administration Policy shall apply to Township uses of MAT revenue.

## **POLICY COMMUNICATION**

1. This policy will be posted on the Township's website.
2. All members of Council shall be provided with a copy of this policy.

3. This policy shall form part of the orientation for all members of Council at the start of a new term of Council.
4. This policy shall form part of the orientation for all members of the Senior Management Team.

## **POLICY**

### Roles and Responsibilities

#### *Mayor and Council*

- Approve Municipal Accommodation Tax Administration Policy.
- Establish priorities through the Township of Woolwich Community Strategic Plan.
- Review and approve MAT annual allocation of funding.
- Review and approve isolated MAT fund requests over and above \$10,000 that are outside the scope of the annual allocation of funding.

#### *Senior Management Team*

- Review and approve annual allocation of funds.
- Review and approve isolated MAT fund requests under \$10,000 that are outside the scope of the annual allocation of funding.
- Delegated authority to approve annual funding stream rewards on behalf of Mayor and Council.

#### *Economic Development and Tourism Officer*

- Accountable for development and recommendation of annual MAT allocation of funding to the Senior Management Team.
- Accountable for working with partners to collect MAT requests and provide guidance where needed.
- Responsible for ongoing stakeholder engagement.
- Management and execution of programming and projects defined in the MAT annual allocation of funding.
- Oversight for funding programs administered through the Township.
- Recommendations for the utilization of the MAT to enhance the visitor experience in the Township.
- Collecting business and stakeholder feedback for implementation in the MAT annual allocation of funding.

#### *Explore Waterloo Region*

- Lead destination marketing activities for Waterloo region.
- Attract festivals and events (business, conference, sports, e-sports, music, theatre, and groups) to Waterloo region cities and townships.
- Coordinate influencer visits within the Waterloo region cities and townships.
- Collaborate with Waterloo region cities and townships on destination marketing activities.
- Create tourism product development opportunities through seasonal packaging.

#### *Region of Waterloo*

- Enhance, promote, build, and strengthen the tourism economy in Waterloo Region.
- Encourage and result in overnight stays in Waterloo Region.

### *Regional Tourism Organization 4 (RTO4)*

- Provide strategic support and share industry best practices.
- Partner on projects that align with animation, storytelling, and hygiene.

### Use of Funds

Use of the funds collected from MAT revenues by the Township will be informed by stakeholder feedback, the Economic Development and Tourism Plan, and Township of Woolwich Community Strategic Plan.

The annual allocation of funding for the MAT will be used for Council-approved Municipal purposes related to tourism marketing, programs, projects, and tourism product development aimed at growing, promoting, and enhancing the tourism industry.

Funds may be spent on initiatives that:

- strengthen the local tourism economy;
- encourage and result in overnight stays;
- increase visitors from 40 kilometres or further away;
- support strategic community and cultural development initiatives related to tourism; and
- enhance the Township's reputation as a vibrant, sustainable, and inclusive destination.

The MAT will enable increased capacity for the Economic Development and Tourism division to develop, support, and facilitate new, larger-scale tourism projects without further impacting property taxes.

### *Municipal Accommodation Tax Reserve Fund*

The MAT reserve fund will be funded annually with all MAT revenues. Approved annual allocation of funding will be transferred to designated accounts for activation of approved programming. Remaining MAT reserve funds will be held for isolated requests which will be presented to Council for approval if greater than \$10,000. If requests are lower than \$10,000, they will be reviewed and approved by the Senior Management Team.

The Township will target a balance of a minimum \$150,000 in the reserve fund to provide flexibility to act on timely opportunities to create visitor experiences.

### *Annual Allocation of Funding*

Staff have created a forecast of anticipated annual MAT collections and will base annual allocation of funding on the forecast. If due to unforeseen circumstances, the collection amounts change, staff will adjust the allocation of funding accordingly to maintain the minimum \$150,000 in the reserve fund.

### *Municipal Accommodation Tax Priorities*

MAT priorities include:

- **Arts and culture:** Invest in local arts and culture initiatives that increase visitors to the Township.
- **Destination marketing campaigns:** Seasonal and event-specific marketing campaigns to increase visitors in the Township and extend overnight stays.
- **Event support and development:** Sponsor festivals, conferences, and other events that prioritize visitors as the target audience, enhance the local culture, and extend overnight stays.

- **Placemaking initiatives:** Tourism activities that strengthen the connection between people and the places they share.
- **Sustainable tourism:** Tourism programs, events, and infrastructure that prioritize sustainability.
- **Tourism infrastructure enhancement:** Invest in public amenities such as signage, public washrooms, and sustainable transportation options that improve the visitor experience.
- **Tourism business development:** Invest in educational and network opportunities to build robust partnerships within the tourism industry and improve the overall experience offered by tourism operators.
- **Tourism product development:** Create new and innovative tourism products and experiences in the Township. Enhance existing tourism products to help them grow.
- **Visitor services enhancement:** Invest in existing visitor services and create new adapting visitors services to improve the visitor experience.

#### Example uses of the Municipal Accommodation Tax

Examples of how the MAT can be used include, but are not limited to:

- Market research and data collection to inform tourism initiatives;
- Development of tourism strategies;
- Publicly accessible infrastructure with tourism as the primary focus or to support visitors;
- Festival and event expansion and development;
- Collaborative tourism marketing efforts;
- Township of Woolwich visitor services staffing;
- Collaborative wayfinding initiatives;
- Arts and culture industry development with a focus on tourism;
- Marketing materials and campaigns that promote tourism;
- Increasing sustainable transportation opportunities for visitors.

#### Examples of what the Municipal Accommodation Tax can't be used for

Examples of how the MAT **can't** be used include, but are not limited to:

- Alcohol purchase, distribution, and licensing;
- Awards, prizes, and raffles;
- Building and other permits and associated fees;
- Donations;
- Lottery licences;
- Operating expenses (i.e. hydro, water, rent, etc.);
- Political organizations or contributions;
- Projects that are or have been funded by MAT already (i.e. project that Explore Waterloo Region has already funded through their MAT revenues);
- Regular staffing expenses for businesses or organizations (i.e. offsetting costs of an existing position);
- Township of Woolwich or Region of Waterloo fees or procedures (i.e. special event permits, staff time, etc.);

#### The Woolwich Way Funding Programs

To support the Township's objectives and MAT priorities, the Economic Development and Tourism division is proposing funding streams that will be available on an annual basis to make strategic

investments in programs that will further develop Woolwich as a vibrant, sustainable, and inclusive destination.

Projects that align with the MAT priorities outlined above and demonstrate the following objectives, will be eligible for funding programs.

- strengthen the local tourism economy;
- encourage and result in overnight stays;
- increase visitors from 40 kilometres or further away;
- support strategic community and cultural development initiatives related to tourism; and
- enhance the Township's reputation as a vibrant, sustainable, and inclusive destination.

The funding programs will be administered by the Township of Woolwich with funding allotments included in the annual allocation of funding.

### *The Woolwich Way – Destination Development Fund*

#### **About the funding stream**

Providing support for tourism product development projects, the "Woolwich Way." This funding stream provides funding directly to Woolwich businesses and organizations who increase and diversify Woolwich's tourism experiences and further develop Woolwich as a vibrant, sustainable, and inclusive destination. Successful applicants to this funding stream will demonstrate new or enhanced tourism products that focus on creating experiences that extend visitors stays in Woolwich.

#### **Funding stream selection criteria**

The evaluation committee will consider the following when selecting successful applicants:

- Unique tourism product development experiences that are done the "Woolwich Way"
- A focus on partnering with businesses and organizations in Woolwich and the region
- A focus on sustainable tourism practices
- A focus on accessibility, diversity, equity, and inclusion
- Encourage and result in overnight stays

#### **Eligibility**

Businesses and organizations located within the municipal boundaries of the Township of Woolwich, including for-profit and not-for-profit businesses and organizations. Successful applicants must be able to provide a minimum financial contribution to the value of 15% of the proposed project's total funding ask of up to \$4,000. All applicants must be in good standing with the Township of Woolwich.

#### **All successful projects must:**

- Be achievable within the calendar year of the year the fund is applied for.
- Reach 30% visitor demographics for the program, project, or event.
- Develop or enhance tourism products.

#### **Eligible costs include:**

- Capital costs that enhance visitor experience
- Equipment purchases and rentals
- Materials and supplies that enhance the visitor experience

- Signage and wayfinding. Note: signage and wayfinding must meet standards in line with existing wayfinding signage and also meet all Township and Regional standards.

#### **Ineligible costs include:**

- Alcohol purchase, distribution, and licensing;
- Awards, prizes, and raffles;
- Building and other permits and associated fees;
- Donations;
- Individuals or unincorporated entities;
- Legal, audit, or interest expenses;
- Lottery licences;
- Marketing and advertising costs;
- Operating expenses (i.e. hydro, water, rent, staff, etc.);
- Political organizations or contributions;
- Pre-existing deficit funding (grant or loan);
- Regular staffing expenses (i.e. offsetting costs of an existing position);
- Township of Woolwich or Region of Waterloo fees or procedures (i.e. special event permits, staff time, etc.);
- Website or application development;

#### **Structure and process**

The Woolwich Way – Destination Development Fund is an annual fund that will only accept applications during the timelines outlined. Successful applicants cannot apply for this fund the following year but they can apply the year after as long as there is demonstrable enhancements and differences in the project (i.e. if successful in 2025, you can't apply until 2027). Applications can be submitted online or in written format (if specifically requested).

Businesses and organizations who receive other Township of Woolwich grants are not eligible for The Woolwich Way – Destination Development Fund. Any grantees must not have a conflict of interest.

#### **Examples of a successful project or program**

Examples of what could be a successful project or program are, but are not limited to:

- Walking tours
- Culinary experiences/tours
- Art and culture experiences
- Virtual reality experiences
- Festival or event development
- Shoulder season experiences
- Tourism product packaging

#### *The Woolwich Way – Marketing Material Fund*

#### **About the funding stream**

Providing support for the development of tourism marketing materials, the “Woolwich Way.” This funding stream provides funding directly to Woolwich businesses and organizations to develop marketing materials that further develop Woolwich as a vibrant, sustainable, and inclusive destination.



Successful applicants to this funding stream will produce marketing materials that connect experiences, assist visitors to Woolwich, or promote extended stays.

### **Funding stream selection criteria**

The evaluation committee will consider the following when selecting successful applicants:

- Unique tourism marketing materials that are designed the “Woolwich Way”
- A focus on partnering with businesses and organizations in Woolwich and the region
- A focus on sustainable tourism practices
- A focus on accessibility, diversity, equity, and inclusion
- Encourage and result in overnight stays

### **Eligibility**

Businesses and organizations located within the municipal boundaries of the Township of Woolwich, including for-profit and not-for-profit businesses and organizations. Successful applicants must match the total amount of funding that they are approved for up to a total of \$1,500. Ex. If an applicant is successful in receiving \$1,500 of funding then they must match the \$1,500 for a total investment of \$3,000 for the marketing material.

### **All successful projects must:**

- Be achievable within the calendar year of the year the fund is applied for.
- Develop or enhance tourism products.
- Create new marketing materials OR update previously used marketing materials.
- Have a visitor as the primary target audience for the specific material.

### **Eligible costs include:**

- Design services
- Printing services

### **Ineligible costs include:**

- Advertising costs;
- Alcohol purchase, distribution, and licensing;
- Awards, prizes, and raffles;
- Bloggers;
- Building and other permits and associated fees;
- Donations;
- Individuals or unincorporated entities;
- Influencers;
- Legal, audit, or interest expenses;
- Lottery licences;
- Marketing and advertising costs;
- Operating expenses (i.e. hydro, water, rent, staff, etc.);
- Political organizations or contributions;
- Pre-existing deficit funding (grant or loan);
- Promotional campaign development;
- Regular staffing expenses (i.e. offsetting costs of an existing position);
- Social media promotion and management;

- Township of Woolwich or Region of Waterloo fees or procedures (i.e. special event permits, staff time, etc.);
- Website or application development;
- Writers.

### Structure and process

The Woolwich Way – Marketing Material Fund is an annual fund that will only accept applications during the timelines outlined. Successful applicants cannot apply for this fund the following year but they can apply the year after as long as there is demonstrable enhancements and differences in the project (i.e. if successful in 2025, you can't apply until 2027). Applications can be submitted online or in written format (if specifically requested).

Businesses and organizations who receive other Township of Woolwich grants are not eligible for The Woolwich Way – Marketing Material Fund. Any grantees must not have a conflict of interest.

### Examples of a successful project or program

Examples of what could be a successful project or program are, but are not limited to:

- Visitor maps showcasing experiences
- Event-based materials that connect experiences or showcase community experiences
- Materials to enhance an existing experience
- Passport programs for events or experiences
- Banners or other signage specifically targeting visitors and promoting an experience

### Continuous Improvement, Evaluation, and Reporting

The Economic Development and Tourism division will establish the following:

- **Annual review of MAT Administration Policy:** Review this policy annually to assess the impact of the MAT and ensure objectives are being met. This is an opportunity to adjust the strategy as needed.
- **Establish a feedback mechanism:** Establish a publicly accessible format for stakeholders (residents, businesses, organizations, and visitors) to submit feedback on the program.
- **Establish reporting forms for local businesses and organizations on MAT use:** Establish a form which will require that any MAT fund awardees, either through grant programs or annual allocation of funding, provide visitor-based metrics on the economic impact of the programs or projects established. This form will also require awardees to share detailed invoices showing that the MAT funds provided were spent and how they were spent.
- **Perform an annual impact analysis:** Evaluate how MAT-funded projects, programs, and funding opportunities are impacting the local economy, community, well-being, and tourism growth.
- **Share success stories:** Share success stories of MAT-funded projects and programs with Council, staff, and stakeholders. Medias can include but are not limited to: annual report to Council, social media, business newsletter, annual Tourism roundtable event, and more.
- **Establish annual reporting on MAT use:** Council presentation annually to share success stories, metrics, and impact of the MAT revenue use as well as proposed changes (if any) to the program.
- **Establish an annual Woolwich Tourism roundtable event:** Tourism stakeholders in Woolwich will be invited to an annual roundtable event to network with partners, receive a presentation on MAT impacts, and to provide ideas for future MAT use. This will help garner support and ensure alignment with industry needs.

## **POLICY STATEMENT**

This policy is to outline how MAT revenues, held in the Township of Woolwich's MAT reserve, can be allocated. MAT funds should be used exclusively for tourism-related activities with a focus on increasing the number of visitors to Woolwich and increasing overnight stays at area accommodations. Activities can include tourism marketing, tourism programs, tourism projects, and tourism product development. MAT funding will be used to add to existing funding, not to replace existing tourism funding.