

Corporate Policy and Procedure



Policy	Municipal Accommodation Tax Administration Policy
Category	Departmental
Authority	Tourism and Destination Development
Related Policies	Guelph Community Grant Program, Budget Policy, Reserve and Reserve Fund Policy, Budget Monitoring Policy, Purchasing Policy
Approved By	City Council
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Policy Statement

An administrative and financial policy to guide the use of Municipal Accommodation Tax (MAT) collections to grow Guelph’s visitor economy through strategic investments in tourism and destination development.

Purpose

The purpose of this policy is to:

- Set the guidelines for monitoring and implementing the MAT reserve fund and annual operating budget, in adherence to Council-approved strategic plans, policies, service levels, and capital projects.
- Set the guidelines for funding streams administered by the City and the Tourism Entity to support community-led initiatives that promote tourism and grow Guelph’s visitor economy.
- Ensure consistency in the evaluation of and strategic investment in community-led projects and programs to promote tourism and grow Guelph’s visitor economy.

Definitions

Conflict of Interest

Includes:

- (1) an entity controlled by any member of Council, or employee of the City, or any associate or family member of any member of Council or employee of the City;

- (2) a situation in which a director, officer, or employee of the entity, or any associate, family member, or entity controlled by any such person, is able to benefit financially from the Tourism Product.

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 organization is not an “opposing party” as defined in the City’s Purchasing bylaw and does not have a Conflict of Interest. The organization must be current on accounts receivable. The organization must have all relevant City taxes paid.

Municipal Accommodation Tax

A direct tax of 4 per cent of the Purchase Price on room nights sold, under 30 consecutive days or less, per By-law (2022)-20691.

Tourism Entity

A non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality and receives a portion of MAT revenue and has entered into a financial accountability agreement with the City for such purpose.

Tourism Product

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

Visitor

A visitor is considered anyone who visits Guelph from more than 40 kilometers away who is not making a routine trip.

Background

On February 28, 2022, Council directed Staff to implement a four per cent MAT on all room nights sold in the City, including hotels, motels, bed and breakfasts, and short-term rentals, except where limited by legislation. The introduction of MAT allowed for Staff to enter into an agreement with the Guelph Chamber of Commerce (the Tourism Entity) to share a portion of MAT revenues in accordance with the regulation for strategic tourism destination marketing investments by the Chamber.¹ The City’s portion of MAT revenues are directed to providing greater support for tourism organizations and businesses, expanding visitor attraction efforts, and investing in infrastructure that supports new and enhanced visitor experiences, as outlined in the [Economic Development and Tourism Strategy \(2022-2026\)](#).

¹ O. Reg. 435/17 under *Municipal Act, 2001*, S.O. 2001, c. 25

Roles and Responsibility

The following roles have budget responsibilities for the effective use of the MAT as listed:

Table 1: Assigned roles and responsibilities.

Accountability Role	Role Responsibilities
Mayor and Council	<ul style="list-style-type: none"> • Approve the tax rate through the MAT by-law. • Establish priorities through the Corporate Strategic Plan. • Establish priorities through the Economic Development and Tourism Strategic Plan. • Review and deliberate, operational, and capital investment and enhancements with the MAT reserve fund. • Review and deliberate operating budget. • Budget adoption under Strong Mayor legislation.
Executive Team	<ul style="list-style-type: none"> • Review and approve multi-year budget strategy. • Maintain a culture of data driven decision making that is a result of appropriate internal collaboration, alignment to the Strategic Plan, business case option assessment, and risk management. • Refer Staff supported capital investments and enhancements with the MAT to Council. • Delegated authority for the approval of annual funding stream awards on behalf of Mayor and Council.
General Manager of Economic Development and Tourism	<ul style="list-style-type: none"> • Individual accountability for the development and recommendation of itemized multiple-year Service Budgets and Forecasts to the Executive Team in accordance with established guidelines, timeline, and process. • Development of Service business plans that identify operating and capital resource requirements in collaboration with Staff. • Oversight of the Financial Accountability Agreement with the not-for-profit entity charged with Destination marketing per Bill 127.

Accountability Role	Role Responsibilities
<p>Manager of Tourism and Destination Development</p>	<ul style="list-style-type: none"> • Facilitate City requirements outlined in the Financial Accountability Agreement with the not-for-profit entity. • Execution of programming and projects as defined in the MAT annual budget. • Oversight and recommender for funding programs delivered through the Economic Development and Tourism department as outlined in this policy. • Policy development and recommendations for the utilization of the MAT to enhance City infrastructure programs for visitor economy.
<p>Tourism Entity</p>	<ul style="list-style-type: none"> • Lead Destination Marketing activities under the refreshed visitor-facing brand in alignment with City’s strategic activities. • Facilitate funding programs to compliment the funding programs delivered through the Economic Development and Tourism department as outlined in this policy.

Using the Municipal Accommodation Tax

Informed by the Corporate Strategic Plan and Economic Development and Tourism Strategy, the multi-year operating budget for the MAT and associated reserve fund will be utilized to support strategic investments that prioritize advancing Guelph’s reputation and building a must-see visitor destination.

Municipal Accommodation Tax Reserve

Investments for event attraction, infrastructure enhancement, and placemaking on publicly owned land will be brought forward as recommendations for consideration to City Council on a case-by-case basis for any project that cannot be accommodated by the annual budget and requires a transfer from the MAT Reserve. Funds allocated from the Reserve will be administered through an associated capital account to support larger and multi-year projects through the Economic Development and Tourism department.

Annual Budget

Based on anticipated collections, Staff will adjust the annual operating budget to include expenditures in the below areas that support destination development, destination management, and destination marketing initiatives while also increasing the reserve fund at reasonable annual rates in line with capital project forecasts.

Tourism Product Development

Provide incentives for organizations in the development and enhancement of visitor-oriented products and experiences through targeted financial support (see Grants and Funding Programs) and business engagement programs.

Sport, Event, and Conference Attraction and Servicing

Engage in opportunities to attract regional, provincial, and national events to Guelph through targeted financial support (see Grants and Funding Programs), attendance at industry events, and expanded group servicing options.

Network Development and Education

Invest in and promote educational and network opportunities to support itinerary development, experience enhancement, and robust partnerships across the Tourism sector. This will include an annual workshop series, destination certification programs, sector roundtables or sharing opportunities, and familiarization tours.

Visitor Services Enhancements

Invest in resources to support visitor information including digital and print material development, physical and digital kiosks, and third-party application development.

Wayfinding and Signage

Invest in wayfinding and signage activities to support navigation within the city and designated areas of attraction with a visitor-focused lens.

Placemaking and Infrastructure Enhancement

Recommend strategic investments in the development of public land and infrastructure as places for people through public art, free activities, and installations in partnership with City departments.

All projects undertaken by Tourism and Destination Development will align and comply with City policies, procedures, and by-laws.

Grants and Funding Programs

To support Destination Development and Destination Marketing initiatives, funding streams are offered on an annual basis to make strategic, equitable, and measurable investments in new and expansion-driven projects that prioritize and/or demonstrate the following criteria to grow the visitor economy:

- Attracting visitors for overnight, extended stays at local accommodations.
- Strong collaboration among local and regional partners.
- Advancing Downtown attraction efforts.
- Increasing or enhancing sport and event offerings within the city.
- Advancing efforts to promote inclusion, diversity, equity, and accessibility in the Tourism sector.

The funding programs are administered in partnership with the Tourism Entity and allotments are contingent on annual MAT revenues. A minimum of 10 per cent from the City's portion of the annual collection will be made available to eligible projects and recipients through these programs each year.

Destination Animation Program

Program Objective

The Destination Animation Program will provide funding directly to eligible organizations who have demonstrated their ability to enhance Guelph's destination reputation year-round. The main objective of the fund is to create and leverage partnerships within the industry while increasing Guelph's destination attractiveness with year-round tourism products.

In addition to the above-mentioned criteria, all projects must positively contribute to the growth of Guelph's tourism economy by:

- Developing new tourism products to add to Guelph's tourism offerings.
- Enhancing existing tourism products.
- Demonstrating a strong visitor-oriented value proposition.

Program Eligibility

Organizations located within the municipal boundaries of the City of Guelph are eligible to apply for the Destination Animation Program but can include regional partnerships. Funding for incorporated not-for-profits will be administered by the City. Funding for incorporated for-profit organizations will be administered by the Tourism Entity. Primary applicant organizations must:

- Have a demonstrated visitor focus.
- Have a location or head office in Guelph.
- The organization must be incorporated under provincial or federal legislation, with or without charitable status.
- Be in operation for at least one year.
- Be in good standing with the City and, if applicable, its own governing bodies.

Program Exclusions

The Destination Animation Program will not fund:

- Individuals or unincorporated entities.
- Any organization that is an "opposing party" or which is owned or controlled by any person who is an "opposing party" as defined in the City's Purchasing By-law.
- Organizations that have a current signed agreement with the City that states they are not eligible for other City funding sources.
- Other levels of government.
- Political organizations or contributions.
- Alcohol purchase, distribution, and licensing.
- Awards, prizes, and raffles.
- Building and other permits and associated fees.
- Donations.
- Legal, audit, or interest expenses.
- Lottery licenses.
- Operating expenses (i.e. staff salaries and staff wages).
- Pre-existing deficit funding (grant or loan).

- Marketing and advertising costs (physical and digital).
- Website or application development.

Contributions

Eligible businesses and organizations can receive up to \$5,000 or a portion thereof, to support their eligible project. Successful applicants must be able to provide a minimum financial contribution to the value of 10 per cent of the proposed project's total funding ask.

Applicants are not permitted to apply for the City's Community Grant Program and the Destination Animation Fund for the same project. Applicants who apply with the same project to both streams will be disqualified from the Destination Animation Fund for that year.

Gather Here Sponsorship Program

Program Objective

The Gather Here Sponsorship Fund is a joint initiative between Tourism and Destination Development and the Tourism Entity to provide one-time financial support directly to conference, sport, festivals, and events to enhance Guelph's destination reputation year-round. The main objective of the fund is to attract visitor-focused conference, sport, and event properties to Guelph.

In addition to the above-mentioned criteria, all projects must positively contribute to the growth of Guelph's tourism economy by:

- Increasing and enhancing Guelph's visitor brand and reputation.
- Demonstrating a strong visitor-oriented value proposition.

Major events: An event deemed to have a substantial visitor, economic, and reputational impact on Guelph may be given additional consideration for higher levels of funding, above and beyond the maximum \$25,000 offered through the Gather Here Sponsorship Fund. All major event applications must be submitted a minimum of 180 days prior to the start of the event. A major event must meet the following criteria:

- Open to the public, accessible, and welcoming.
- Ability to reach audiences nationally or internationally.
- Generates an audience minimum of 5,000 in-person attendees and participants.
- A demonstrated visitor (40km or further) audience of 50 per cent or more.
- Generates a minimum 750 room/nights at accommodations collecting the MAT in Guelph during the duration of the festival or event.
- Increases the reputation of Guelph through significant media coverage and economic benefits.
- Financially sustainable and does not rely on requested funding solely for event success.
- The event must have been in operation for at least two years.

Major events will be evaluated on a case-by-case basis.

Note: Meeting the criteria above is a minimum threshold for being considered a major event and as a result, not all events that meet the criteria are guaranteed funding.

Program Eligibility

Eligible projects include but are not limited to:

- Professional conferences hosted in Guelph.
- Significant sporting events hosted in Guelph.
- Travelling events hosted in Guelph.
- Travelling festivals hosted in Guelph.
- Professional industry events hosted in Guelph.

Program Exclusions

The Gather Here Sponsorship program will not fund:

- Individuals or unincorporated entities.
- Any organization that is an "opposing party" or which is owned or controlled by any person who is an "opposing party" as defined in the City's Purchasing bylaw.
- Organizations that have a current signed agreement with the City that states they are not eligible for other City funding sources.
- Other levels of government.
- Political organizations or contributions.
- Alcohol purchase, distribution, and licensing.
- Awards, prizes, and raffles.
- Donations.
- Legal, audit, or interest expenses.
- Lottery licenses.
- Pre-existing deficit funding (grant or loan).

Contributions

The Gather Here Sponsorship Fund is a funding allotment made available each calendar year to support event attractions. Eligible projects can receive up to \$25,000 or a portion thereof, to support their eligible project. Successful applicants must be able to demonstrate a minimum return on investment of 2:1 for requested funds.

Applicants are not permitted to apply for the City's Community Grant Program and the Gather Here Sponsorship Fund for the same project. Applicants who apply with the same project to both streams will be disqualified from the Gather Here Sponsorship Fund for that year.

Destination Gaps and Needs Program

Program Objective

At the discretion of City staff and in consultation with tourism industry interest holders, select funds may be made available as a stand-alone funding stream that

aims to incent eligible businesses and organizations to fill identified destination gaps or address visitor needs.

In addition to the above-mentioned criteria, all projects must positively contribute to the growth of Guelph's tourism economy by:

- Developing new tourism products to add to Guelph's tourism offerings.
- Enhancing existing tourism products.
- Demonstrating a strong visitor-oriented value proposition.

Program Eligibility

Eligibility for these programs will be dictated by the objectives and expected outcomes of the program and specified in the program documentation. Incorporated for-profit and not-for-profit organizations will be eligible.

Program Exclusions

Any program developed under the Destination Gaps and Needs Fund will not fund:

- Individuals or unincorporated entities.
- Any organization that is an "opposing party" or which is owned or controlled by any person who is an "opposing party" as defined in the City's Purchasing bylaw
- Organizations that have a current signed agreement with the City that states they are not eligible for other City funding sources.
- Other levels of government.
- Political organizations or contributions.

Additional ineligible expenses will be dictated by the objectives and expected outcomes of the program and will be specified in the program documentation.

Contributions

Funding will not be provided directly to organizations. Instead, and at the City's sole discretion, services will be procured by staff to support proposed projects to a maximum of \$5,000 per project.

Applicants are not permitted to apply for the City's Community Grant Program and the Destination Gaps and Needs Fund for the same project. Applicants who apply with the same project to both streams will be disqualified from the Destination Gaps and Needs Fund for that year.

Grants and Funding Program Evaluation and Awards

Evaluation and Assessment

Evaluation of applications will use standardized rubrics that align with the expectations of the program and address the below categories:

- Partnership and collaboration
- Project alignment with priority objectives
- Visitor attraction
- Economic impact
- Innovative or unique offering

- Ability to measure
- Feasibility

The goal of each funding stream is to award as many applications as possible with priority given to those who demonstrate strong alignment with the objectives of the outlined funding programs, the expected outcomes of each program, and significant collaboration within Guelph's tourism sector. Priority will be given to projects that can demonstrate impact on overnight, extended stays at local accommodations and an audience of 30 per cent visitors.

Agreement

Successful applicants will be required to enter into a written agreement with the City to be eligible for funding.

Reporting Requirements

Successful applicants who receive funding from the program must report on how the funding was spent and the impact the funding achieved. The timeline for reporting will be provided upon notice of a successful application and may be required in order to receive 100 per cent of the awarded funding.

If the recipient fails to fully complete and submit the report to the City within the stated time, the organization will not be eligible for future funding until such a time that the City is satisfied that the report has been submitted in full.

Awards

For the Destination Animation Fund, 50 per cent of the funds will be provided upon receipt of the award. The remaining 50 per cent will be provided upon receipt of the final report.

For the Gather Here Sponsorship Fund, 100 per cent of the funds will be provided no sooner than 30 days preceding the event unless otherwise stipulated in any agreement with the recipient.

For the Destination Gaps and Needs funding programs, no direct payment of funds will be provided. Services will be paid for by staff through the annual MAT operating budget.

Procedure and Process

1. The City will advertise open funding streams when available on the City website (guelph.ca), the Tourism Entity website (gatheringuelph.com), and other relevant media.
2. Organizations are advised to read the full Municipal Accommodation Tax Administration Policy (MATAP) as well as the associated program documentation made available for each funding stream and attend any information sessions provided by the City or the Tourism Entity. These resources will be available through guelph.ca and gatheringuelph.com.
3. All organizations must complete the application form in full which means that each question must be answered and all the requested supporting documentation must be submitted in alignment with associated program

- documentation. This may include, but is not limited to, project implementation plan, a budget breakdown, and/or communications plan.
4. The application form is online but alternative formats are available upon request. Incomplete applications will not be considered. The City reserves the right to contact any organization for information which requires clarification.
 5. Applications must be received by the City on or before 4:00 p.m. on the advertised submission deadline. No late applications will be considered. It is the sole responsibility of the applicant to ensure that the City receives completed applications. An email notice will be sent to the applicant on completion of the application.
 6. Eligible organizations can submit only one (1) complete application per year per funding stream so long as they meet eligibility requirements and objectives of the program as outlined.
 7. Applications will be screened for their eligibility and reviewed by a staff panel.
 8. The Manager of Tourism and Destination Development, or designate staff, will convene the required series of meetings and ensure all reviewers understand the objectives and grading rubrics for each funding stream.
 9. Reviewers will provide their recommendations to the Manager of Tourism and Destination Development, or designate staff, along with respective funding allocations.
 10. Recommendations for award will be provided to the Deputy Chief Administrative Officer of Public Services for approval.
 11. All applicants will receive notification via e-mail on whether their application was successful.
 12. Applicants must enter into a written agreement with the City with terms and conditions of funding.
 13. Following annual Council budget approval, the Finance Department will issue cheques for successful applicants as outlined in the Application Guide for each program.
 14. There is no appeals process for any unsuccessful applications.
 15. All cheques must be cashed within three (3) months of the date of issue. Cheques that are not cashed within three (3) months of the date of issue will be cancelled, stopped and will not be replaced. Failure to cash cheques may impact the review of an organization's future grant applications.

Policy Review

The MAT Policy will be reviewed annually by City Tourism staff.

Terms and Conditions of Awards

1. Successful recipients of grants (Grantees) will be subjected to terms and conditions relating to the grant. All applicants will be expected to acknowledge their agreement to be bound by the following terms and conditions at the time of application. Applicants must, at the City's sole discretion, comply with all applicable legislation, regulations, and by-laws consistent with the City's corporate values, image and strategic goals. Applicants must comply with all applicable law.

2. Confirmation of the Grantee that the information contained in the Grant Application and supporting documentation is true and correct in every respect.
3. Confirmation that the Grantee is not an "opposing party" and does not have a conflict of interest.
4. Confirmation that the Grant shall be used by the Grantee for the activities set out in the Grant Application.
5. The Grantee shall immediately notify the City and Tourism Entity if the funds cannot be used for the approved activities, or if all or part of the Grant funds has not been spent after completion of the activities. The City or Tourism Entity may, at its sole discretion, permit the Grantee to use the remaining Grant funds for a different, related purpose, or may require their immediate return.
6. The Grantee shall comply with all laws, regulations, by-laws and other governmental directives or orders in the course of spending the Grant.
7. The Grantee shall indemnify and hold harmless the City and Tourism Entity against any claims, costs, causes of action, fines, or any other losses or other penalties the City or Tourism Entity suffers relating to the giving of the Grant to the Grantee.
8. The Grantee shall notify the City and Tourism Entity immediately, in writing, of its impending or actual bankruptcy, insolvency, appointment of a receiver, dissolution, or cessation of carrying on business or bulk sale of assets.
9. The Grantee shall acknowledge the financial support of the City and the Tourism Entity in all publicity material related to the services and the Grant.
10. The Grantee shall immediately notify the City and the Tourism Entity, in writing, if any of the information provided by the grantee to the City is determined to be inaccurate in any material respect, or if there has been any material adverse change in any of the information provided.
11. The Grantee must comply with all the reporting requirements as outlined in the MATAP.
12. The Grantee consents to the City and the Tourism Entity using information regarding the details of the grant awarded, including the name of the Grantee, the activities carried out, and the community and economic impact of the activities in reports and on the City or Tourism Entity's website and other relevant media, provided that the City and Tourism Entity shall not release any information, including financial information and personal information of the organization, which is confidential pursuant to the provisions of the Municipal Freedom of Information and Protection of Privacy Act.