



# Staff Report

## Strategic Initiatives – Special Projects & Strategic Initiatives

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**Report To:** COW- Admin, Corp and Finance, SI, Comm. Services  
**Meeting Date:** September 15, 2025  
**Report Number:** SI.25.030  
**Title:** Municipal Accommodation Tax Evaluation Criteria and Process  
**Prepared by:** Tim Hendry, Director of Strategic Initiatives

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### A. Recommendations

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THAT Council receive Staff Report SI.25.030, entitled “Municipal Accommodation Tax Evaluation Criteria and Process”;

AND THAT Council approves the recommended evaluation criteria as attached to assess projects supported by the Town’s share of Municipal Accommodation Tax (MAT) funds;

AND THAT Council approves the Municipal Accommodation Tax project evaluation process as outlined and directs staff to follow this process as a trial for the 2026 Budget Process.

### B. Overview

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This report provides Council with the proposed criteria for evaluating investments and expenditures supported by the Municipal Accommodation Tax (MAT). It is designed to ensure transparent and strategic utilization of MAT revenues in fostering sustainable tourism development, community enhancement, and local economic growth.

### C. Background

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The Town’s Municipal Accommodation Tax came into effect on January 6, 2025, at a rate of 4% on all short-term stays of less than 30 days. The tax is collected by accommodation providers and remitted to the Town based on the approved collection schedule.

The implementation of the MAT is governed by Provincial Regulation 435/17: Transient Accommodation Tax. Under this regulation, 50% of net revenue is allocated to the Destination Marketing Organization, with the remaining funds managed by the Town for strategic use.

A report detailing the total collection will be brought forward to Council following the Q3 collection, which is scheduled for October 2025.

To help guide the strategic use of the Town's portion of MAT funds, evaluation criteria and the related process have been developed for Council's consideration. The evaluation criteria was designed to ensure transparent and strategic utilization of MAT revenues in fostering sustainable tourism development, community enhancement, and local economic growth.

## **D. Analysis**

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The introduction of the MAT Evaluation Criteria represents the Town's strategic and transparent approach to enhancing the community and stimulating economic growth through the investment of tourism revenue collected through the Town's MAT. The evaluation criteria was designed to maximize the use of MAT funds for the benefit of both residents and the visitors to improve public amenities and spaces, support local businesses and enhance tourism related infrastructure without the reliance of additional taxation on residents.

The evaluation criteria encourages the reinvestment of MAT revenue back into the local economy, creating a positive feedback loop where visitor expenditures drive further economic activity and development. This alignment with community and economic objectives underscores the Town's commitment to transparency and accountability in fund utilization, effectively communicating the shared benefits with all stakeholders and positioning The Blue Mountains as a leading travel destination while supporting sustainable community growth.

### **Evaluation Process & Criteria**

The recommended approach is for the evaluation process to be completed by the Town's Senior Management Team, with a final recommendation presented to Council for approval. The internal evaluation will be scheduled following the 2026 Budget deliberation meetings scheduled for October 14 – 17, 2025. During these meetings, it's recommended that projects that could be potentially funded through MAT be 'parked' for evaluation based on the outlined criteria.

In late October, the Senior Management Team will complete the initial evaluation through consensus scoring and present a recommendation report at the next available Council meeting. At the meeting, Council will have the opportunity to review a prioritized list of potential MAT funded projects along with a clearer understanding of the total MAT funds available for use.

The evaluation criteria, along with the proposed scoring structure is included as an attachment to this report.

## **E. Strategic Priorities**

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### **1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

### **2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

### **3. Community**

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

### **4. Quality of Life**

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

## **F. Environmental Impacts**

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No direct environmental impacts are anticipated as a result of this report. Sustainable practices are a consideration in project evaluations.

## **G. Financial Impacts**

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The evaluation framework is designed to facilitate clear resource allocation while ensuring transparency and accountability in financial management of MAT funds.

## **H. In Consultation With**

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Adam Smith, Interim CAO

Monica Quinlan, Director of Corporate & Financial Services / Treasurer

## **I. Public Engagement**

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The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Tim Hendry, Director of Strategic Initiatives [si@thebluemountains.ca](mailto:si@thebluemountains.ca).

## **J. Attached**

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### **1. Proposed MAT Evaluation Criteria and Scoring Structure**

Respectfully submitted,

Tim Hendry  
Director of Strategic Initiatives

For more information, please contact:  
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**Report Approval Details**

Document Title:	SI.25.030 Municipal Accommodation Tax Evaluation Criteria and Process.docx
Attachments:	- Attachment 1 - Evaluation and Scoring Structure.pdf
Final Approval Date:	Aug 25, 2025

This report and all of its attachments were approved and signed as outlined below:

**Tim Hendry - Aug 22, 2025 - 4:02 PM**

**No Signature found**

**Adam Smith - Aug 25, 2025 - 5:10 PM**

# Municipal Accommodation Tax Evaluation Criteria & Scoring Structure

The following evaluation criteria were developed to ensure transparent, strategic, and impactful utilization of the Town's share of Municipal Accommodation Tax (MAT) funds designated for the enhancement of the Town of The Blue Mountains community.

This framework aims to align funding with the Town's long-term vision of sustainable tourism growth, enriched community life, and elevated tourism experiences by establishing a fair and systematic approach to evaluating potential investments and expenses.

## Criteria Areas

1. Strategic Alignment
2. Tourism Benefit and Visitor Experience
3. Economic Benefit
4. Feasibility and Risk

## Descriptions & Weighted Assessment

Criteria	Description	Weight
Strategic Alignment	<ul style="list-style-type: none"><li>• Alignment with the Town's strategic goals identified in the Corporate Strategic Plan, Destination Strategy and Economic Development Strategy.</li></ul>	25%
Tourism Benefit and Visitor Experience	<ul style="list-style-type: none"><li>• Improvements and/or investments in tourism-related infrastructure to support the management of tourism within the Town.</li><li>• Improvements and/or investments aimed at enhancing the visitor/guest experience and delivering a world-class tourism offering.</li><li>• Improvements and/or investments aimed at developing new tourism products and/or experiences and innovative approaches to managing tourism.</li><li>• Improvements and/or investments aimed at preserving the natural environment and sustainable tourism best practices and initiatives.</li></ul>	40%

Economic Benefit	<ul style="list-style-type: none"> <li>• Improvements and/or investments aimed at increasing overnight tourism visitation where capacity exists (mid-week and shoulder seasons) to grow Municipal Accommodation Tax revenue.</li> <li>• Improvements and/or investments aimed at creating new jobs, attracting new businesses and supporting existing businesses.</li> <li>• Improvements and/or investments aimed at workforce development and attraction to support local economic sectors.</li> <li>• Anticipated return on investment and economic growth stimulation.</li> </ul>	20%
Feasibility and Risk	<ul style="list-style-type: none"> <li>• Practicality of project implementation and analysis of potential risks and mitigation strategies</li> <li>• Review of ongoing resource requirements, including long-term operational costs and financial forecast highlighting the long-term operational budget, potential impact on the Town's tax levy, and strategies for cost management/funding.</li> </ul>	15%
		<b>100%</b>

### Weighted Scoring Structure

- **Scoring Mechanism:** Use a 1-5 scale for each criterion (1 = Low, 5 = High).
- **Weighted Scores Calculation:** Multiply the score by the criterion's weight.
- **Total Project Score:** Sum of all weighted scores for each project.
- **Minimum Thresholds:** Minimum scoring thresholds have been set to ensure that the Town's investment of MAT funds are used in a best and most strategic sense.

Criteria	Scoring	Minimum Threshold
<b>Strategic Alignment</b>	<p>How well does the project align with the Town's strategic documents?</p> <p><b>Score Guidance</b></p> <ol style="list-style-type: none"> <li>1. <b>Very Low:</b> No clear connection to any strategic goals or plans.</li> <li>2. <b>Low:</b> Loosely aligned with a minor strategic goal or outdated document.</li> </ol>	A minimum score of 3 (Moderate) must be achieved for Strategic Alignment. If the minimum score is not achieved, then the project will be disqualified.

	<ol style="list-style-type: none"> <li>3. <b>Moderate:</b> Supports at least one major goal from a current strategic document.</li> <li>4. <b>High:</b> Directly supports multiple strategic priorities or actions from key documents (e.g. Corporate Strategic Plan, Destination Strategy).</li> <li>5. <b>Very High:</b> Strong, explicit alignment with multiple core priorities and objectives across strategic plans.</li> </ol>	
<b>Tourism Benefit and Visitor Experience</b>	<p>How well does the project enhance tourism infrastructure, visitor experience or sustainable tourism practices, and how does the project align with the goals and objectives of the Town's Destination Strategy?</p> <p><b>Score Guidance</b></p> <ol style="list-style-type: none"> <li>1. <b>Very Low:</b> Little to no benefit to tourism or visitor experience; not tourism-focused.</li> <li>2. <b>Low:</b> Minor enhancements or one-time improvements; benefits a small segment of visitors.</li> <li>3. <b>Moderate:</b> Offers tangible visitor improvements (e.g., signage, minor amenity upgrades); supports general tourism experience.</li> <li>4. <b>High:</b> Strong tourism impact (e.g., new experiences, infrastructure upgrades, off-peak attraction); aligned with tourism goals.</li> <li>5. <b>Very High:</b> Transformational project for tourism; creates or significantly enhances a destination asset; addresses capacity/sustainability and seasonal balancing.</li> </ol>	<p>A minimum score of 3 (Moderate) must be achieved for Tourism Benefit and Visitor Experience. If the minimum score is not achieved, then the project will be disqualified.</p>
<b>Economic Benefit</b>	<p>How well does the project support the local economy and generate MAT or related economic growth?</p>	<p>A minimum score of 2 (Low) must be achieved for Economic Benefit. If the minimum score is not</p>



	<p><b>Score Guidance</b></p> <ol style="list-style-type: none"> <li>1. <b>Very Low:</b> No clear economic benefit or minimal potential impact.</li> <li>2. <b>Low:</b> Limited short-term economic gain; unclear long-term value.</li> <li>3. <b>Moderate:</b> Expected to support jobs, businesses, or tax revenue indirectly.</li> <li>4. <b>High:</b> Directly increases tourism visitation (especially off-peak), supports business growth or workforce attraction.</li> <li>5. <b>Very High:</b> High-impact economic development; measurable MAT growth potential, job creation, or investment attraction. Strong ROI case.</li> </ol>	<p>achieved, then the project will be disqualified.</p>
<p><b>Feasibility and Risk</b></p>	<p>Is the project practical, affordable, and manageable over the long term?</p> <p><b>Score Guidance</b></p> <ol style="list-style-type: none"> <li>1. <b>Very Low:</b> High risk; unclear implementation path or excessive long-term costs.</li> <li>2. <b>Low:</b> Known challenges exist; may strain resources or lack internal support.</li> <li>3. <b>Moderate:</b> Feasible with proper planning; risks are known and manageable.</li> <li>4. <b>High:</b> Strong project plan; low risk; fits within available capacity and funding.</li> <li>5. <b>Very High:</b> “Shovel-ready”; minimal risk; sustainable long-term with little to no operating pressure. May already have co-funding in place.</li> </ol>	<p>A minimum score of 2 (Low) must be achieved for Feasibility and Risk. If the minimum score is not achieved, then the project will be disqualified.</p>

## Example Scoring

### 1. Project A:

- Strategic Alignment: 4/5
- Tourism Benefit and Visitor Experience: 5/5
- Economic Benefit: 3/5
- Feasibility and Risk: 4/5

### 2. Weighted Scores:

- Strategic Alignment:  $4 \times 30\% = 1.2$
- Tourism Benefit and Visitor Experience:  $5 \times 40\% = 2$
- Economic Benefit:  $3 \times 20\% = 0.6$
- Feasibility and Risk:  $4 \times 10\% = 0.40$

### 3. Total Score: Sum all weighted scores = 4.2