

April 24, 2019

Mayor and Council  
Municipality of Lambton Shores  
7883 Amtelecom Parkway,  
Forest, ON N0N 1J0

Dear Mayor and Council:

The Grand Bend & Area Chamber of Commerce has been involved in tourism promotion of this area since 1957. Supported by its members, the Chamber is governed by a board of volunteer directors who are owners or managers of local businesses. Of its 175 members, 31 are accommodation providers, these include hotels, motels, bed and breakfasts, campgrounds and cottages. Of concern for the last several months, with discussions at the board level, at member events and in one-to-one director-member conversations, is the coming implementation of the Municipal Accommodation Tax (MAT) and the Chamber wishes to take this opportunity to communicate those concerns to Mayor and Council.

The Chamber agrees in principle with the goal of the MAT tax as a method of generating funds in support of local tourism promotion and development. We are a rural area with relatively few taxpayers and understand the Municipality's need to be frugal in its tax levy and expenditure. We are also in support of anything that can be done to support the vibrancy and growth of local communities and their businesses and to provide residents with employment opportunities. We anticipate great marketing potential could be achieved with a well-thought out and agreed upon tourism promotion plan for this area paid for by MAT tax revenue.

Of great concern to our accommodation members is how the MAT tax will be implemented. Without careful consideration and stakeholder consultation, MAT tax implementation has the potential for a negative effect on the sustainability of local hotels, motels and bed and breakfast operators. These operators manage levels of taxes and government standards and requirements in managing their businesses. These standards and requirements are there for the protection and safety of all, including the hotel guest, but do add overhead costs to the room rate. Our accommodation members recognize the potential good that could come from additional tourism funding, but want to operate in a fair and level playing field. They believe the MAT tax must apply to cottages, cabins and other short term accommodation types, which can be easily applied by AirBnb, HomeAway and VRBO.

However, before the MAT tax is applied to what constitutes the majority of short term rental units in Lambton Shores - specifically cottages, cabins, vacation apartments and home-sharing units, we recommend the introduction of a basic licensing program for these units. For several years, local residents have complained about short term rental units hosting event-like parties, parking issues, noise, property damage, and large groups of people stuffed into small cottages designed for single families. We believe these resident complaints and the concerns of hoteliers wishing a level playing field can be addressed by a licensing program.

Licensing for cottages, cabins, vacation apartments and home-sharing situations has been successfully accomplished in other areas of Ontario. Our research has shown these programs address capacity limits, property standards and garbage, noise and nuisance issues, fire safety, insurance, the building code and contain a requirement for the municipality to have up-to-date contact information for the owner or agency or person managing the short term rental property, along with a requirement for the licensee to know to whom they are renting, by having a proper registry of guests names (such as a cottage rental agreement).

We do not believe a licensing program is onerous to responsible cottage owners, because our members who rent out their cottages already adhere to the Chamber's "Accommodation Code of Ethics".

The positive outcomes of a short term rental licensing program and application of the MAT tax to cottages, cabins, vacation apartments and home-sharing situations are:

- residents concerns are addressed
- reduction in call-outs for bylaw officers due to public nuisance, noise and parking complaints caused by short term rental situations
- increased professionalism in the short term rental market
- a list of municipally registered short term rental units
- implementation of the MAT tax by AirBnb, HomeAway and VRBO
- creation of a level playing field for all accommodation providers
- contribution to MAT tax revenue by all accommodation providers
- an equal sharing in the costs and benefits of a MAT tax tourism promotion program, and
- an improvement in the overall perception of rental cottages in this area by visitors/tourists.

We would be pleased to discuss this issue further with Council and several of our accommodation member businesses would be happy to make themselves available for that purpose.

Sincerely,

Jeff Pacheco,  
President 2019-2020.

cc: Grand Bend & Area Chamber Members, Beach O'Pines Community, Centre Ipperwash Community Association, Huron Woods Community Association, Port Franks Beach Homeowners' Association, Southcott Pines Park Association, West Ipperwash Homeowners' Association.