

**THE CORPORATION OF  
THE TOWNSHIP OF SIOUX NARROWS - NESTOR FALLS**

A regular open meeting of Council was held Tuesday, January 7<sup>th</sup>, 2025, at the Nestor Falls Municipal Office. A quorum of Council was present, and this was a duly authorized meeting of the Corporation of the Township of Sioux Narrows - Nestor Falls.

Resolution No. 6-25

Moved by Holly Chant

Seconded by Matt Rydberg

That the Mayor now calls this meeting to order to deal with matters pertaining to general.

Carried

Resolution No. 7-25

Moved by Matt Rydberg

Seconded by Holly Chant

That the Council of the Township of Sioux Narrows - Nestor Falls hereby approve and adopt the agenda for the January 7<sup>th</sup>, 2025, Council meeting.

Carried

**Disclosure of Interest** – None.

**Adoption of Minutes**

Resolution No. 8-25

Moved by Steve Salvador

Seconded by Matt Rydberg

That the minutes of the December 3<sup>rd</sup>, 2024 Zoning and Regular meetings, be adopted as read and published.

Carried

**Correspondence** – None.

**Disbursements**

Resolution No. 9-25

Moved by Steve Salvador

Seconded by Holly Chant

That the December 2024 Disbursements, having been checked and found that all accounts are in order, passes same for payment in the amount of \$595,610.59.

Carried

**By-Laws**

Resolution No. 10-25

Moved by Steve Salvador

Seconded by Matt Rydberg

That the by-law to provide for an Interim Tax Levy and payment of Interim Taxes for the year 2025, having been read a first time, and deemed read a second and third time, passes the by-law as read.

Carried

**By-Laws** (cont.)

Resolution No. 11-25

Moved by Holly Chant

Seconded by Matt Rydberg

That the by-law to authorize borrowing from time to time to meet current expenditures in 2025, having been read a first time, and deemed read a second and third time, passes the by-law as read.

Carried

Resolution No. 12-25

Moved by Steve Salvador

Seconded by Matt Rydberg

That the by-law to amend by-law no. 279, being the Zoning By-Law, having been read a first time, shall be read a second and final time at the February 4<sup>th</sup>, 2025, regular council meeting.

Carried

Resolution No. 13-25

Moved by Holly Chant

Seconded by Matt Rydberg

That the by-law to amend the Township of Sioux Narrows – Nestor Falls’ Official Plan, having been read a first time, shall be read a second and final time at the February 4<sup>th</sup>, 2025, regular council meeting.

Carried

**Staff Reports**

T. Warner – Community Engagement and Trails Coordinator – report attached. Also mentioned that the Farmers Market will again be held this year and will be expanding into September for a total of 8 market days.

H. Gropp – Community Development Officer – report attached. While the report and attachments won’t be adopted until the next meeting, per our procedure, and along with the council meeting minutes, Council is agreeable to posting the Municipal Accommodation and Business Improvement Area report online in advance. Also reported that we did receive a proposal for housing development on what we are referring to as Lot 2, the backshore lot in the area near Father Moss Road. We did not receive it in time to make the council agenda today, but the report will be circulated to council for their review and staff will await council’s further direction on that.

R. Hanson – in attendance to speak on regional Lake of the Woods cross-border fishing concerns. Thanked council for the opportunity to speak on the matter. Discussed the emergence of this matter and how pervasive it has been on Rainy Lake. He represents a group of citizens and businesses from here to Rainy Lake. Would like council support in bringing the issue forward to senior levels of government. Discussion ensued. R. Hanson – indicated that the matter has been ongoing for approximately 20 years. It is very noticeable on Rainy Lake. As an example, there used to be two non-resident work permits for guides from the US. Last year there were 60 permits for running guide businesses in Canadian waters. The fear is that in the Northwest Angle area of Lake of the Woods it could be exponentially worse. There are no requirements to check in at customs and no monitoring of what comes in and what goes out. This is not just a fishing or resort issue. There are private boats as well. Towns and border communities are paying the price.

**Reports from Committees**

H. Chant – Fire Department – they held their annual Christmas dinner at the Log Tavern in Nestor Falls on December 10<sup>th</sup>. The team is continuing to work on Fire Fighter 1 and Hazmat Operations training which are required to be done by July 2026. In 2028, additional certifications will be required. They held a controlled burn training session on an area island in November. The session went well, and their doll house burn training lent useful knowledge that assisted them with this larger burn. Nestor Falls Recreation Committee – they held a basket decorating workshop this fall and had 17 people attend. The turnout was great, and the purpose was to decorate baskets and for the committee to take and sell baskets at the Christmas Craft Market in Sioux Narrows as a committee fundraiser. Stated that she received feedback from a community member who didn't think it was appropriate that the committee asked participants to bring supplies to decorate the baskets at the workshop. It was felt by the individual that the committee should have used their own budget to purchase and provide supplies. Reported that the committee partnered with the Sioux Narrows Recreation Committee for a breakfast with Santa event in December. There were approximately 70 people in attendance. They are looking to host the event in Nestor Falls next year. The committee is starting to plan for the Winter Carnival. The current chairperson has stepped down, as she will be away during the carnival event. The committee is also helping the Curling Club with their bonspiel at the end of January. Rainy River District Municipal Association – stated that she missed the last executive meeting and the hospital meeting as she was away. Reported that she will be attending the Annual General Meeting and gave a summary of guest speakers who will be presenting. Stated that she was disappointed that municipal staff did not put up the wooden Christmas trees that were donated a few years ago. She feels that time should have been taken to put up the trees, especially being that they were donations. They should be recognized how they were meant to be and they should have been put up.

**Old Business** – None.

**New Business**

Resolution No. 14-25

Moved by Matt Rydberg

Seconded by Steve Salvador

WHEREAS the Kenora District Services Board provides supports and services to seniors, single non-elderly and families across the District of Kenora both within and outside of municipal boundaries; and,

WHEREAS the Kenora District Services Board used the unweighted property assessments as determined by the Municipal Property Assessment Corporation (MPAC) to determine the Net Local Levy for the District of Kenora municipalities and territories without municipal organizations; and,

WHEREAS the Kenora District Services Board, Municipalities and Territories without Municipal Organization wish to ensure the sustainability and stability of the District Services Board's Net Local Levy;

NOW THEREFORE BE IT RESOLVED that the Council of the Township of Sioux Narrows – Nestor Falls supports the Kenora District Services Board to continue to use the unweighted property assessment methodology for the Net Local Levy calculations as has been done since the creation of the District Services Board; and,

**New Business** (cont.)

FURTHER THAT the Council of the Township of Sioux Narrows – Nestor Falls also supports the Kenora District Services Board to set the Territories without Municipal Organization (TWOMO) at a minimum of 46.15% of the Total Net Local Levy moving forward.

Carried

Resolution No. 15-25

Moved by Holly Chant

Seconded by Steve Salvador

That the CAO is hereby authorized to sign the Ontario Transfer Payment Agreement for the Provincial Fire Protection Grant from the Office of the Fire Marshal, Public Safety Division/Ministry of the Solicitor General.

Carried

**Delegations** – None.

**Adjournment**

Resolution No. 16-25

Moved by Matt Rydberg

Seconded by Steve Salvador

That the business of the meeting having been dealt with, a motion for adjournment is so made.

Carried

Members Present

G. Black

H. Chant

M. Rydberg

S. Salvador

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Mayor

Clerk

# Township of Sioux Narrows - Nestor Falls

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<b>Council Meeting Date:</b>	January 7, 2025
<b>Prepared By:</b>	Heather Gropp- Community Development Officer Timothy Warner- Trails and Community Engagement Coordinator

## **“Trillium Trail” update:**

We continue to work with the Ministry of Natural Resources for a new addition to our trail network. In 2023 we identified the need for a trail in Sioux Narrows that was closer to the townsite. This was highlighted in the Municipal Community Economic Development Plan and was brought up by local businesses in our Focus Group for the Visitation Strategy that we are currently working to complete. A trail was designed, and a land use permit was submitted. The Ministry requested changes, and we implemented them. We are now waiting on their approval and hope to start construction on this new trail in 2025. A Trail naming process will take place once construction starts and before updating trail maps to formally name the trail.

## **Trail Enhancements for 2025:**

There has been considerable work done on increasing trail use and engagement opportunities for trail users in 2024. Some of the highlights include Story Time on the Trails, and the Trail Club and corresponding social media. In 2025 we are working to implement a passport system on our trails. A passport would be developed and there would be stations along each trail where those wanting to participate could complete a rubbing into the passport that highlights ecological features along the trail. There will be awards/rewards for completion of individual trails and the entire passport program. We are building partnerships with Kenora Chiefs Advisory and other community resources to build up the historical and educational aspects along the trails. We look forward to this program launching in June 2025.



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## Report to Council

<b>Council Meeting Date:</b>	January 7, 2025
<b>Prepared By:</b>	Heather Gropp- Community Development Officer

### **Municipal Accommodation and Business Improvement Area Levy Research Project:**

In 2022, the Municipal Council adopted a **Community Economic Development Strategy** for the Township of Sioux Narrows – Nestor Falls. Goal 2.2 of the Strategy is to *Develop Tools, Resources, and Communications that Strengthen the Township as a place for Growth and Investment*. In May 2024, the Township retained the services of Urban Systems to carry out research in support of Goal 2.2 and research options to fund economic and tourism development activities in the community. Specifically, research was focused on researching comparative Municipal Accommodation Tax and Business Improvement Area programs proposed under Tactic Three of the strategy.

These were challenging conversations in the community. We experienced many view points and significant reluctance from some local businesses, including a petition that was previously presented to Council, before the completion of the research. It was challenging for staff and the team at Urban Systems to navigate the research project through all of the misinformation being circulated throughout the community.

The conclusion and recommendations of the research report are as follows:

Municipal Accommodation Taxes and Business Improvement Areas are established strategies that provide significant benefits in comparable communities through Ontario, Minnesota, and beyond. The funds raised are used to enhance marketing opportunities and improve and maintain municipal infrastructure that benefit visitors and residents alike. Although these are effective tools in many communities, we heard through community consultations that there is no consensus within the community as to whether or not these strategies should be pursued.



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In addition, we learned that revenues from Airbnbs and other short-term rentals represent a significant portion of overall MAT revenues and may not be realized. Given these factors, it may be prudent to continue discussions within the community on this topic and continue to work with Airbnb in order to ensure that short-term rentals operate legally and contribute to services within the municipality.

The information we obtained from this research is valuable. We now know the potential impact that a levy like this could have on our community, as well as the experiences of neighbouring communities and benefits they have experienced. Going forward we know the possibilities and challenges we would face by implementing something similar in our community. Given the lack of consensus in the community, Council may wish to delay looking at this option until such time that more of a consensus can be reached.

## **Regional Lake of the Woods Cross-border Fishing Concerns:**

Concerns have been brought forward to the Municipality from local operators regarding cross-border fishing. The Township is assisting by pulling together a regional meeting later this week to discuss the issue. Mayor Black will be attending, along with MP Eric Melillo, David MacLachlan from Destination Northern Ontario, and Laurie Marcil from Nature and Outdoor Tourism Ontario. Minister Greg Rickford, and representatives from the City of Kenora, including Mayor Poirier have been invited.



***Live the Lake Life***



**ECONOMIC AND TOURISM GROWTH RESEARCH**  
**AND COMMUNITY CONSULTATIONS**

**TOWNSHIP OF SIOUX NARROWS-NESTOR FALLS**

January 3, 2025

**URBAN**  
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**PREPARED FOR:**

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# 1.0 INTRODUCTION

Tourism is one pillar of a sustainable economic growth strategy that can bring many benefits to a community. Tourism can boost the economy by creating jobs and increasing income while encouraging cultural sharing and exchanges. In 2022, the tourism sector contributed roughly \$36 billion to Ontario's GDP<sup>1</sup>. Similarly, 9.5% of our national Gross Domestic Product is generated by tourism. In addition to creating jobs, the revenues generated through tourism can help support public amenities in a community, that otherwise would not exist. The bottom line is that tourism is a significant pillar of Canada's economy.

However, tourism in North America is a competitive market. Sioux Narrows – Nestor Falls competes with nearby communities in northwestern Ontario as well as destinations in Manitoba, Minnesota, and beyond for both Canadian and American visitors. Many similar tourism-related communities throughout every market have increasingly relied on Municipal Accommodation Taxes and Business Improvement Areas to fund improvements to tourism infrastructure as well as marketing initiatives. In order to remain competitive with other tourism destinations, it is worth exploring whether or not a Municipal Accommodation Tax or Business Improvement Area would enhance the desirability of Sioux Narrows – Nestor Falls as a tourism destination.

## 1.1 BACKGROUND

In 2022, Urban Systems prepared a **Community Economic Development Strategy** for the Township of Sioux Narrows – Nestor Falls. Goal 2.2 of the Strategy is to *Develop Tools, Resources, and Communications that Strengthen the Township as a place for Growth and Investment*. In May 2024, Urban Systems was retained to carry out research in support of Goal 2.2 and research options to fund economic and tourism development activities in the community. Specifically, research was focused on researching comparative Municipal Accommodation Tax and Business Improvement Area programs proposed under Tactic Three.

# 2.0 METHODOLOGY

## 2.1 RESEARCH

To better situate ourselves in the context of this project and the Township of Sioux Narrows-Nestor Falls (SNNF), comprehensive research was done to understand the nature, operation and application of a Municipal Accommodation Tax (MAT) and Business Improvement Area (BIA).

A number of towns and municipalities with similar demographic and economic characteristics to that of Sioux Narrows-Nestor Falls were considered in this research who have adopted a Municipal Accommodation Tax, established a Business Improvement Area, or both.

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<sup>1</sup> 2022 State of the Ontario Tourism Industry Report - Stouffville Chamber of Commerce

## COMMUNITY ENGAGEMENT AND CONSULTATION

On July 17, 2024, two community workshops were held in both Nestor Falls and Sioux Narrows respectively. Through the workshops, we were able to discuss the issues and opportunities we identified from our research with Council and members of the community to better understand the opportunities and constraints of the two economic and tourism development tools that were the subject of our research. A survey was also used to gain further insight into community priorities and opportunities.

### **3.0 WHAT IS A MUNICIPAL ACCOMMODATION TAX?**

A Municipal Accommodation Tax is a levy on transient accommodations to generate revenue for the purpose of promoting tourism in a municipality or region. This could include hotels, motels, and short-term rentals, including Airbnbs and campgrounds.

#### **About the Legislation**

The Municipal Accommodation Tax is a revenue tool that the provincial government has given Ontario municipalities to further promote tourism as an economic driver.

On May 17, 2017 the Province enacted Bill 127, the Stronger, Healthier Ontario Act, which provides Ontario municipalities with the authority to levy a transient accommodation (hotel) tax. The Transient Accommodation Regulation 435/17 (<https://www.ontario.ca/laws/regulation/170435>) came into force on December 1, 2017, outlining provisions for municipalities across Ontario to implement a Municipal Accommodation Tax.

The Regulation applies if a municipality imposes a tax in respect of the purchase of transient accommodation in the municipality under Section 400.1 of the Municipal Act.

#### **Who pays it?**

Visitors and tourists to a municipality with an accommodation levy in place pay a percentage fee on only the accommodation (room) portion of their stay.

#### **Benefits**

A municipal accommodation levy allows a municipality to generate money to pay for promotion and infrastructure to support tourism and economic development without raising taxes for ratepayers. A recent example is a significant contribution that was made to the Black Sturgeon Lake Property Owners Association of the City of Kenora towards the enhancement of local tourism and access to some of the region's beautiful waterways (Lake of the Woods District Stewardship Association | Enhancing Lake Access to Black Sturgeon Lake ([lowdsa.com](http://lowdsa.com))).

#### **Who collects?**

A municipality partners with an arms-length organization that collects the levy from accommodators.

#### **Where do the funds go?**

Typically, 50% of the funds raised stay with the arms-length partner organization to be spent on promoting tourism within the municipality's region. The remaining 50% goes to the municipality to invest in programs and assets that support tourism including infrastructure, marketing and promotion, etc.

The table below summarizes towns and municipalities in Ontario who have adopted a Municipal Accommodation Tax including the current tax rate

**Table 1: Examples of comparable Ontario Municipalities with a Municipal Accommodation Tax**

<b>Town/Municipality (All in Ontario)</b>	<b>Population</b>	<b>Year Adopted</b>	<b>Current Rate (%)</b>
Town of Marathon	3,138	2019	6
Town of Blind River	3,422	2023	4
Red Lake	4,094	n/a	4
Municipality of Northern Bruce Peninsula	4,404	2021	4
Town of Hearst	4,794	2019	4
Town of Gananoque	5,383	2019	4
Town of Cochrane	5,390	2019	4
Municipality of Sioux Lookout	5,839	2019	4
Town of Kirkland Lake	7,750	2023	4
Town of Gravenhurst	13,157	2022	4
Town of Midland	17,817	2023	3.5
City of Toronto			6

### 3.1 ANALYSIS

Over 25 towns and municipalities within Ontario were researched to understand the adoption and operation of the Municipal Accommodation Tax. As indicated in the table above, the our study focused on ten municipalities based on their population and geographic similarities.

All municipalities have a similar distribution of the MAT revenue: 50% of revenue realized from the MAT is invested into tourism promotion through a partner organization with the remaining 50% retained by the municipality.

#### Collection

Most municipalities collect the tax on behalf of the partner organization although some utilize their arms-length partner organizations to collect the tax.

#### Airbnb

Although a handful of Ontario municipalities have an agreement with Airbnb to collect and remit Municipal Accommodation Taxes, most municipalities rely on voluntary collection of taxes generated through Airbnb rentals. Repeated requests for information through Airbnb were ignored. To collect taxes from an Airbnb, it would appear that business owners would need to register their businesses with the municipality, and the municipality would rely on voluntary collection by operators. This option appears not to be feasible given the mode of operation of Airbnb.

Our research excluded rooms that are part of fishing packages or similar.

#### Traditional Lodging

If adopted, the MAT would be applied to single night reservable hotel and motel-style accommodations, which includes lodges who rent rooms by the night or on Airbnb, VRBO, etc. It would not be applied to week-long lodge stays or fishing packages. The MAT would apply to a relatively small minority of rooms compared to other types of accommodation within Sioux Narrows-Nestor Falls.



## Common Rates

Most municipalities have a Municipal Accommodation Tax rate of 4%, except the Towns of Marathon and Midland with rates of 6% and 3.5% respectively. Some municipalities at the time of implementation of the MAT began with rates lower than the current rates as displayed in Table 1 above. For instance, the towns of Marathon and Midland started with rates of 2% and 2.5%. However, as of 2024 both towns have increased their rates to 6% and 3.5% respectively.

## Competition

Since the inception of the Municipal Accommodation Tax (MAT) in 2017, several municipalities within Ontario have introduced the MAT as a way of generating revenue to boost their tourism sector. Almost all towns with a tourism base in the Province are shifting towards a MAT to help strengthen their tourism sector as everyone is working to increase investment in a competitive market and make their communities attractive for people to visit.

## 3.2 COMPARABLE COMMUNITY RESEARCH

High-level research was conducted with the following five comparable municipalities that have implemented the Municipal Accommodation Tax:

- Kenora (2018)
- Fort Frances (2019)
- Sioux Lookout (2020)
- Dryden (2020)
- Terrace Bay (2019)

Municipalities were asked the following questions:

- What year did you implement the MAT?
- How was the MAT received in your community?
- How is the MAT applied to different accommodations? Are any exempt?
- What was the impact of the MAT on occupancy rates?
- How was the MAT received in your community?
- What challenges have you experienced implementing the MAT in your community?

As most municipalities had adopted the MAT between 2018 and 2020, they have had a significant amount of experience implementing and administering the MAT for a number of years. The following themes and lessons learned reflect the shared experiences of all municipalities surveyed.

1. The MAT was initially resisted by many operators in these municipalities when it was first implemented, with one exception where the MAT replaced an existing destination marketing fee. Today however most operators feel as though the MAT has made a positive contribution to the overall tourism environment. The community at large did not consider the MAT to be a significant issue.
2. In terms of exemptions, some municipalities exempt tourism camps or outfitters, and many do not exempt any operators.
3. It was suggested that occupancy rates were not affected by the implementation of the MAT. It was generally felt that even after the adoption of the MAT, communities today are operating at higher occupancy rates than they did prior to COVID.
4. Because many communities have already adopted a MAT, operators indicate that there has been little reaction from consumers as most are not surprised or discouraged to find a MAT levy.

5. Projects funded through the MAT (particularly infrastructure projects) are well-received by community members. However, the community does not always understand or appreciate that these projects are funded through the MAT and not through general revenues.
6. The greatest issue experienced by municipalities throughout the MAT implementation has been dealing with short-term rentals like Airbnb, VRBO, etc. Although Airbnb collects MATs in larger municipalities, they generally do not do so in smaller communities. As short-term rentals represent a large and growing sector of this market, the lack of participation in the MAT undermines the opportunity both in terms of revenue generation as well as fairness by ensuring that all property owners operate on a level playing field.
7. Engaging an experienced third party such as Superior Country to manage the administration has been beneficial to some smaller municipalities.
8. Communities that have adopted a MAT have experienced significant positive impacts both in terms of infrastructure improvements as well as new marketing initiatives. Funds raised have also been used to leverage partnerships dollars with FedNor and DNO.
9. After adopting a MAT, many municipalities are considering increasing the levy in order to fund additional initiatives. No municipality is considering eliminating the MAT.

### 3.3 FINANCIAL IMPACT

In order to identify the potential revenues generated by a Municipal Accommodation Tax in the region, it was necessary to understand the number of rooms available, average room rates, and occupancy rates. Online research, using data from Airbnb, VRBO, and business websites determined that there are approximately 53 hotel and motel rooms, 365 short term rentals (Airbnb and VRBO), and 230 lodge and resort rooms available within the municipality. Room rates for lodges and resorts were determined separately from package sales. Projected occupancy rates were informed through industry reports (CBRE Trends April 2024) as well as stakeholder feedback. The Table below represents the research noted above.

Category	Season Days	Average Annual Occupancy	Packages	Rooms	Average Daily Rate	Projected Taxable Revenue	MAT Rate	MAT Revenue
Hotels & Motels	365	50%	100%	53	\$125	\$1,209,063	4%	\$48,363
Lodges & Resorts	183	30%	50%	230	\$175	\$1,089,517	4%	\$43,581
Short Term Rentals	365	53%	100%	75	\$250	\$3,592,969	4%	\$143,719
					<b>TOTAL</b>	<b>\$5,891,548</b>		<b>\$235,662</b>
						<b>Municipal Portion</b>		<b>\$117,831</b>
						<b>Arms-Length Portion</b>		<b>\$117,831</b>

Based on our research, we believe that using a Municipal Accommodation Tax of 4%, **both the arms-length agency and the municipality could each expect to receive approximately \$117,831 annually** to be used to enhance tourism in the municipality.

## 4.0 WHAT IS A BUSINESS IMPROVEMENT AREA?

### 4.1 INTRODUCTION

A Business Improvement Area (BIA) is an association of commercial property owners and tenants within a defined area who work in partnership with the Municipality to create thriving and safe business areas that attract shoppers, diners, tourists, and new businesses (Introduction to Business Improvement Areas | Business Improvement Area handbook | ontario.ca).

Traditionally, a BIA is a body established by a municipality using the specific business improvement area provisions in the *Municipal Act (2001)*. It is governed by a board of management. All businesses within the BIA's limits contribute to this tax.

BIAs are generally funded by a special levy within the boundaries of the BIA. It is paid in most cases by owners of property designated as industrial or commercial, and their tenants.

The amount of the levy is typically related to the assessment value of the property. For example, if a property is assessed at one per cent of total realty assessment in the BIA, the owner of that property may pay a BIA levy of one per cent of the total BIA levy. In rare cases we have found examples where individual businesses pay a flat rate regardless of assessed value.

As well, Council can establish maximum and minimum levies to help provide for the fair sharing of the costs of services. Similarly, council may set special charges for properties that derive greater or less than average benefits, in council's opinion, from the BIA.<sup>2</sup> Although these strategies are also possible, they seem to be used less frequently, at least in the local context.

#### Who is involved?

Businesses (including tenants) within a defined commercial area pay a levy along with their municipal property taxes. The BIA is a corporation of the municipality as opposed to a not-for-profit corporation. The property owner is responsible for collecting and remitting the levy.

#### What are the benefits?

A BIA allows local businesses the collective resources to make meaningful enhancements to their neighbourhood in a way that individual businesses cannot.

#### Who manages it?

The Business Improvement Area Board of Management includes at least one director appointed by the municipality and the remaining directors selected by BIA members.

#### Where does the money go?

The money is spent within the BIA's boundaries, and within the following categories:

- Improvement, beautification and maintenance of the public realm; and

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<sup>2</sup> <https://www.ontario.ca/document/business-improvement-area-handbook/appendix-c-frequently-asked-questions>

- Promoting the area as a business or shopping area

## Where else are there BIAs?

There are more than 300 BIAs in Ontario, with more than 100,000 businesses as members. BIAs in northwestern Ontario include:

- Harbourtown BIZ (Kenora)
- Waterfront District BIA (Thunder Bay)
- Fort William BIA (Thunder Bay)

The table below represents a number of comparable communities with Business Improvement Areas in Ontario that were used as part of our case study research.

**Table 2: Comparable Business Improvement Areas in Ontario**

<b>Town/Municipality (All in Ontario)</b>	<b>Population</b>	<b>Name of BIA</b>
Town of Gananoque	5,383	Downtown Gananoque BIA
Town of Prescott	4,078	Downtown Prescott BIA
Gravenhurst	13,157	Gravenhurst BIA
Town of Ingersoll	13,693	The Ingersoll Downtown BIA)
City of Kenora	14,967	Harbourtown BIZ
Town of Bracebridge	17,305	Bracebridge BIA
Town of Huntsville	21,147	Downtown Hunstville BIA
City of Thunder Bay	123,258	Waterfront District BIA/ Fort William BIA

## 4.2 ANALYSIS

Many communities adopt a Business Improvement Area as a way of developing their communities and local business districts. Small and medium-sized communities with populations up to 25,000 such as Gananoque, Prescott, Gravenhurst typically establish a single BIA that focuses attention in a community's historic town centre. In larger cities with populations over 100,000, such as Thunder Bay, there may be several BIAs, reflecting a more varied and intricate business environment. As the population size of a community grows, the number and geographic focus of BIAs become more varied, highlighting increased business activity and complexity in larger towns and cities.

## 4.3 FINANCIAL IMPACT

While Municipal Accommodation Taxes are generally funded by visitors to a municipality (due to the consumption of transient accommodations), BIAs are funded through a levy on individual businesses (typically both commercial and industrial) that serve the tourism industry as well as all other uses. Because of the nature of the funds, it is sometimes felt that BIAs rely more on funding from local sources as opposed to MATs which derive funding typically from visitors to the district.

Case study research suggests that assessment levies in Ontario range between .1% and .5%, meaning that a property assessed at \$100,000 would generate between \$100 and \$500 annually. Businesses in the Ford City Business District, in Windsor Ontario, pay a flat levy of \$400 annually.

The 2025 Commercial Assessment for the Township is approximately \$15.6m. Based on typical BIA assessments ranging from .1% and .5%, **levies could generate between \$15,618 and \$78,904 annually** for the BIA to administer.

## 5.0 COMMUNITY INPUT

### 5.1 COMMUNITY OPEN HOUSE

On July 17, 2024, two community open houses were held, first in Nestor Falls and later that day in Sioux Narrows. Urban Systems hosted the events with support from staff and council. Roughly 20 people attended the open house in Nestor Falls while 11 people attended the open house in Sioux Narrows. During the open house, Urban Systems introduced the objectives of the project and discussed the findings of their research including background information related to a Municipal Accommodation Tax (MAT) and Business Improvement Area (BIA). Community input was provided through a survey distributed at that time. The information that follows represents a summary of the issues that arose during the open house discussions. The Survey as well as Presentation Boards are included as Appendices.

#### Marketing & Competition

Business owners expressed concern with how a Municipal Accommodation Tax or Business Improvement Area is going to affect their business from a marketing perspective. While many businesses appreciate the positive impact of joint marketing initiatives and additional investment in public infrastructure, other businesses are concerned that an additional levy will not provide value and may negatively impact the competitiveness of their business. There was no consensus as to whether or not additional public investments funded through a MAT of BIA would benefit their business. Below are the marketing related issues that came up during the open house.

- The strength of the community are the businesses that support tourism
- Many businesses already spend a lot of money on tourism and marketing so how will the MAT and BIA benefit them?
- Neighboring towns are implementing MAT taxes and they are beating us
- Initiatives are already provided by other government bodies. Why is the MAT/BIA necessary?
- Lots of our accommodations are running in full capacity

#### Taxation & Revenue

- U.S customers complain that Canada is becoming more expensive
- People want to understand the expected revenue MAT will generate
- Does the municipality have the capacity to implement the Municipal Accommodation Tax? How would it be applied equitably to all properties?
- If accommodation providers increase their rates, how will it draw people into the municipality?
- People are going to the US because Canadian taxes are higher than that of American taxes
- We don't want anymore taxes or government intervention
- Is it compulsory to have a 50/50 split? In Minnesota, the 95% of funds raised goes into tourism and 5% goes into administrative



- Why should tourists be footing the bills for things that are going to be enjoyed by the community
- Return on investment and how they could be accounted for
- Potential revenue that could be generated from MAT and/or BIA and where such money will go

#### Other

- Businesses should be able to opt out
- Do we need MAT initiatives? Seems like things are going well
- Businesses are already sustainable-why the need for MAT and BIA
- Concerned that the funds raised will primarily be spent in Sioux Narrows and not Nestor Falls

## 5.2 COMMUNITY SURVEY

A community survey was distributed at the Open Houses to further gather information on the MAT and BIA tools. The summarized responses represent ideas and feelings of a less significant number of residents who completed the survey.

All those who completed the survey indicated that they are residents of Sioux Narrows-Nestor Falls. 83% of the respondents said they owned a business providing accommodation (hotel, lodge, Airbnb) in Sioux Narrows-Nestor Falls. Over 66% of the respondents were in favor of potential Municipal Accommodation Tax revenue being invested in marketing, infrastructure improvements, community beautification and events. 11% of the respondents chose none of the above while 22% did not respond.

67% of respondents are interested in sitting on a committee to guide the allocation of funds from a potential MAT levy in Sioux Narrows-Nestor Falls.

In terms of the greatest economic and tourism strengths, respondents provided the following responses:

- World class fishing quality
- Vastness of the Lake
- Outdoor adventure opportunities
- Location - access and proximity to border
- Diverse species and abundance of water
- Diversity of supporting businesses
- Small town charm
- Variety of accommodation options

The respondents also identified the greatest economic and tourism challenges as follows:

- High/unfair taxes
- Multi-generational decline in fishing tourism as recent family activities are urban driven
- Movement of labour pool
- Increasing expenses for tourism businesses, i.e. wages, insurance and maintenance
- High inflation
- No access to international airport

## 5.3 ADDITIONAL COMMUNITY FEEDBACK

Following the open houses and community survey launched in July, staff and Council have received a significant amount of informal community input in opposition to a MAT or BIA levy. Generally speaking, those in opposition suggest that the consumer is unwilling or unable to pay an additional tax or levy and the MAT or BIA levy will result in their business being less competitive compared to other jurisdictions. This research report found no evidence of this in other communities, however the opposition in the Township of Sioux Narrows – Nestor Falls was notable. To a lesser extent, concern was also expressed that additional marketing initiatives are unnecessary. Many businesses suggested that a general municipal tax increase applied evenly to all ratepayers in order to fund tourism initiatives would be preferable to establishing a new MAT or BIA levy.

## 6.0 RECOMMENDATIONS AND CONCLUSION

Municipal Accommodation Taxes and Business Improvement Areas are established strategies that provide significant benefits in comparable communities through Ontario, Minnesota, and beyond. They have been very effective and successful in communities where they are implemented. The funds raised are used to enhance marketing opportunities and improve and maintain municipal infrastructure that benefit visitors and residents alike. Although these are effective tools in many communities, we heard through community consultations that there is no consensus within the community as to whether or not these strategies should be pursued.

In addition, we learned that revenues from Airbnbs and other short-term rentals represent a significant portion of overall MAT revenues and may not be realized. Given these factors, a prudent approach is recommended. The Township should continue discussions within the community on this topic to determine if and when the community might be receptive to this levy. Having conducted this research, the Township now has significant information including potential revenue projections to determine if this is an option they wish to pursue now, or at some point in the future. It is also recommended that the Township continue to work with Airbnb in order to ensure that short-term rentals operate legally and contribute to services within the municipality, and to establish a way to accurately capture MAT revenue from them.

# Appendix A: Open House Boards

# Welcome

## Exploring Tourism and Economic Development Tools for Sioux Narrows-Nestor Falls



Image by: P199

### What is this session all about?

Sioux Narrows-Nestor Falls is seeking more information about tools to promote tourism and economic development.

Today, we are sharing a summary of that research to date and asking local residents and business owners for their input, ideas, and participation.

### Who are we?

The Township has hired Urban Systems, an interdisciplinary community consulting firm, to support on this project. Urban Systems has worked closely with municipalities and First Nations across Western Canada for 50 years. We provide a wide variety of services, including land use planning, economic development, financial analysis, clean energy, governance, and engineering.

**URBAN**  
SYSTEMS

## Project Objectives

- 1 Investigate** tools to generate revenue to promote tourism and economic development in Sioux Narrows-Nestor Falls.
- 2 Engage** with business owners and community members to share information about potential tourism and economic development tools.
- 3 Provide** recommendations for the implementation of the most applicable tools (later in Fall 2024)

# Municipal Accommodation Levy

## WHAT IS IT?

A levy on *transient accommodations* to generate revenue for the purpose of promoting tourism and maintaining tourism infrastructure in a municipality.

## WHO PAYS IT?

Visitors and tourists to a municipality with an accommodation levy in place pay a percentage levy on only the accommodation (room) portion of their stay.

## WHAT ARE THE BENEFITS?

A municipal accommodation levy allows a municipality to generate money to pay for promotion and infrastructure to support tourism and economic development without raising taxes for

## WHO COLLECTS IT?

A municipality collects the levy from accommodators.

## WHERE DOES THE MONEY GO?

Typically, half of the levy revenue goes to an arms-length non-profit partner to be spent on promoting tourism to and within the municipality. The remaining half goes to the municipality to invest in things that support tourism, such as infrastructure, promotion, events, etc.

## WHERE ELSE IS THIS LEVY APPLIED?

Many municipalities across Ontario have municipal accommodation levies in place to ensure that tourism remains sustainable and that their residents benefit.



# Business Improvement Area

“An association of commercial property owners and tenants within a defined area who work in partnership with the Municipality to create thriving and safe business areas that attract shoppers, diners, tourists, and new businesses” (Ontario Business Improvement Area Association).

## WHAT IS IT?

Businesses within a defined commercial area pay a levy along with their municipal property taxes. The BIA is a corporation of the municipality.

## WHO IS INVOLVED?

A BIA allows local businesses the collective resources to make meaningful enhancements to their neighbourhood in a way that individual businesses cannot.

## WHAT ARE THE BENEFITS?

The BIA Board of Management includes at least one director appointed by the municipality and the remaining directors selected by a vote of BIA membership.

## WHO MANAGES IT?

The money is spent within the BIA's boundaries, and within the following categories:

- improvement, beautification and maintenance of the public realm
- promoting the area as a business or shopping area

## WHERE DOES THE MONEY GO?

There are more than 300 BIAs in Ontario, with more than 100,000 businesses as members. Nearby BIAs include Harbourtown BIZ (Kenora), and Waterfront District and Fort William BIAs (Thunder Bay).

## WHERE ELSE IS THIS LEVY APPLIED?

# Thank you

## Let us know your thoughts!

### Your feedback is important!

Please let us know your thoughts by filling out a survey:

- Scan the QR code
- Visit the link below
- Paper copies are also available!

[www.surveymonkey.ca/r/SNNFtourism](http://www.surveymonkey.ca/r/SNNFtourism)



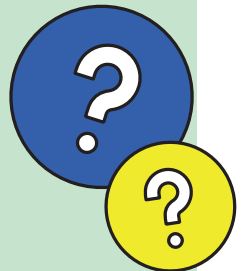
### Questions or Comments?

#### Sioux Narrows-Nestor Falls:

Heather Gropp  
Economic Development Officer  
hgropp@snnf.ca

#### Urban Systems:

Jeff Palmer  
Community Planner  
jpalmer@urbansystems.ca



# Appendix B: Community Survey



# Community Survey

**Sioux Narrows-Nestor Falls**  
Tourism & Economic Development Tools

## We need your input!

The purpose of this survey is to collect community feedback, ideas, and questions related to tourism and economic development in Sioux Narrows-Nestor Falls.

The Township is looking into two main tools to help promote tourism and business: a municipal accommodation levy and a business improvement area. Your responses to the survey will help to inform our analysis as we look into how they might support tourism and economic development in Sioux Narrows-Nestor Falls.

If you have any additional thoughts to share at the end of the survey, please send us an email to:

**Jeff Palmer, Community Planner**

[jpalmmer@urbansystems.ca](mailto:jpalmmer@urbansystems.ca)

Thank you for taking the time to support this project!



# Community Survey

**Sioux Narrows-Nestor Falls**  
Tourism & Economic Development Tools

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# Community Survey

**Sioux Narrows-Nestor Falls**  
Tourism & Economic Development Tools

1. Which of the following categories describes you? *(Select all that apply)*

- Resident of Sioux Narrows-Nestor Falls (year round)
- Resident of Sioux Narrows-Nestor Falls (seasonal)
- Visitor to Sioux Narrows-Nestor Falls
- Business owner in Sioux Narrows-Nestor Falls

If you selected "Business owner," please specify which type of business you own. *(Select all that apply)*

- A business providing accommodations (hotel, lodge, AirBnB)
- A business not providing accommodations
- Prefer not to say

2. What are Sioux Narrows-Nestor Falls' **two greatest** economic and tourism **strengths**?





# Community Survey

Sioux Narrows-Nestor Falls  
Tourism & Economic Development Tools

3. What are Sioux Narrows-Nestor Falls' **two greatest** economic and tourism **challenges**?

4. Where would you like to see potential Municipal Accommodation Levy revenue invested in Sioux Narrows-Nestor Falls? *(Select all that apply)*

- Marketing
- Events (expand/improve existing festivals, create new events, offer special events grants, etc.)
- Infrastructure improvements
- Enhanced CIP programs for businesses
- Community beautification
- Other (please specify)

- None of the above



## Community Survey

**Sioux Narrows-Nestor Falls**  
Tourism & Economic Development Tools

5. Would you be interested in sitting on a committee to guide the allocation of funds from a potential Municipal Accommodation Levy in Sioux Narrows-Nestor Falls?

Yes

No

If you selected "Yes," please provide your contact information below:

Name:

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Company (if applicable):

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Email address:

---

Phone number:

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6. Do you have any questions about tourism and economic development in Sioux Narrows-Nestor Falls, including about Business Improvement Areas and/or Municipal Accommodation Levies? If yes, please share questions below.

**– END OF SURVEY –**