

City Staff Report

Original signed by: City Manager Johnson

Report Date: November 22, 2018

Meeting Date: November 27, 2018

To: City Manager

From: Economic Development Officer

Subject: Council Initiatives funds for Municipal Regional District Tax Facilitator

Purpose

The purpose of this report is to request Council Initiatives funds to be used to hire a facilitator to assist with the City's MRDT application

Summary

The City of Quesnel has applied to the Rural Dividend grant for a \$10,000 grant to contract a facilitator to assist with the City's MRDT application. This grant application was submitted in July, but no response has been received.

The \$10,000 from the Council Initiatives budget would be used to hire the facilitator regardless of whether the grant application is approved. If the grant is approved, the additional funds will be used for additional support to gather support for the application.

Recommendation

THAT Council allocate \$10,000 from the Council Initiatives budget towards contracting a facilitator to assist with the City of Quesnel Municipal Regional District Tax application.

Strategic Objective

Complete the Hotel Tax initiative local signup and submit it to the province.

This initiative is also in the Economic Transition Strategy and Quesnel's Wildfire Recovery Plan.

Financial Implications

\$10,000 from the Council Initiatives budget.

Background

The Municipal Regional District Tax (MRDT or Hotel Tax), is a tax of 2 – 3% applied to the bill of hotel guests. Implementation requires the support of 50% of hotel owners and support from properties representing at least 50% of rooms.

Based on the most recent hotel revenue data available (2009), it is anticipated that a 3% tax would generate approximately \$105,000 to be used towards tourism initiatives outlined in a five year plan submitted to the province with the application.

Once implemented, approval is required every five years.