

September 20, 2024

To:

Mayor Josh Morgan
Councillor Hadleigh McAlister
Councillor Shawn Lewis
Councillor Peter Cuddy
Councillor Susan Stevenson
Councillor Jerry Pribil
Councillor Sam Trosow
Councillor Corrine Rahman
Councillor Steve Lehman
Councillor Anna Hopkins
Councillor Paul Van Meerbergen
Councillor Skylar Franke
Elizabeth Pelozo
Councillor David Ferreira
Councillor Steven Hillier

London City Hall
300 Dufferin Ave
London, ON N6B 1Z2

RE: MAT INCREASE CITY OF LONDON

Dear Mayor Morgan and Councillors,

I hope this letter finds you well. I am writing to express my deep concern regarding the recent decision by the City of London to proceed with a rapid increase in Municipal Accommodation Tax (MAT) rates without prior consultation with the Ontario Restaurant Hotel & Motel Association (ORHMA) or its hotel members.

As a longstanding participant in London's hospitality and tourism sector, we have always recognized and supported the MAT implementation as a vital tool for fostering tourism growth in our city. Pre-pandemic, our collaboration with London tourism and city authorities was instrumental in positioning our industry as a pivotal driver of economic activity and visitor satisfaction.

Undoubtedly, the pandemic posed unprecedented challenges to our industry, and despite the obstacles faced, London hotels have remained steadfast in their commitment to remitting MAT, focusing on revitalizing tourism and economic recovery. However, the decision to increase MAT rates without engaging ORHMA or consulting industry stakeholders has come as a surprise and disappointment to us.

Hotels in Ontario serve as the facilitators of MAT collection and are the only tourism businesses subjected to its implementation, and essentially passing these costs on to their guests. In a climate where consumers are increasingly price-sensitive, any increase in MAT could impact their ability to attract tourists, potentially deterring visitors who may seek more cost-effective alternatives. We possess invaluable expertise in understanding visitor experiences, developing effective sales and marketing strategies, and identifying growth opportunities in feeder markets. Our eagerness to collaborate with London Tourism and the City in driving tourism growth remains unwavering.

Therefore, we urge the City of London to reconsider its approach and engage with ORHMA and hoteliers directly in discussions concerning MAT rate adjustments. Such collaboration ensures that decisions are informed by industry insights and aligned with our shared goals of promoting London as a premier tourist destination.

Thank you for considering our perspective on this matter. We look forward to the opportunity to engage constructively with you and other stakeholders to find a mutually beneficial path forward for London's hospitality and tourism industry.

Warm regards,

Yannis Paravalos

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Chair of London ORHMA

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