



**Report**  
**Staff Report**  
 The Corporation of the City of Brampton  
 5/21/2025

**Date:** 2025-05-02

**Subject:** **Tourism Municipal Services Corporation**

**Contact:** Gage Board, Supervisor, Strategic Communications, Tourism & Events

**Report number:** Corporate Support Services-2025-397

**RECOMMENDATIONS:**

1. That the report from Gage Board, Supervisor, Strategic Communications, Tourism & Events, to the Committee of Council Meeting of May 21, 2025; re: **Tourism Municipal Services Corporation (MSC)** be received;
2. That the Business Case Study for a Tourism MSC, attached as Schedule A, be adopted;
3. That the establishment of a Tourism MSC named "Brampton Tourism Development Corporation" (or similar name) as described in the Business Case Study and this report, be approved;
4. That the Commissioner, Corporate Support Services, Treasurer and City Solicitor be authorized to execute a Service Level Agreement, attached Schedule B, as substantially presented in this report, between The Corporation of the City of Brampton and the Tourism MSC;
5. That the Commissioner, Corporate Support Services, Treasurer and City Solicitor be authorized to execute such documents and undertake such other actions as required to establish the Tourism MSC, including acting as and/or designating incorporating director(s), and drafting and submitting articles of incorporation and other constating documents;
6. That City Council appoint the following Brampton staff as initial board of directors with delegated signing authority to the Chair, Vice-Chair and Treasurer;
  - I. Commissioner, Corporate Support Services or designate (Chair)
  - II. Director, Strategic Communications, Tourism & Events (Vice-Chair)
  - III. Manager, Events, Protocol & Tourism
  - IV. Supervisor, Tourism
  - V. Treasurer (or designate)

7. That Brampton staff be authorized to setup a Trust Fund for the Tourism MSC to capture the financial transactions.
8. That staff be directed to allocate fifty percent (50%) of Municipal Accommodation Tax revenues, the minimum required by Ontario Regulation 599/06, to the Tourism MSC, and;
9. That the Treasurer be authorized to transfer Municipal Accommodation Tax revenues into the Trust Fund upon incorporation of the Tourism MSC.

**OVERVIEW:**

- **The Corporation of the City of Brampton (“Brampton”) has been collecting four percent (4%) MAT since January 2024.**
- **Fifty percent (50%) of MAT revenue is required under Ontario Regulation 437/17 (Transient Accommodation Tax) to be shared with an Eligible Tourism Entity.**
- **The Business Case Study was produced to outline the purpose and benefits of establishing a Tourism MSC that would serve as Brampton’s destination marketing organization.**
- **It is recommended to establish a Tourism MSC and appoint Brampton staff as the initial Board of Directors. This will provide Brampton with leadership of the Tourism MSC and ensure no loss of momentum with current service delivery.**
- **The Tourism MSC will be funded entirely from the MAT reserve; specifically, the fifty percent (50%) of the net annual MAT collected that is legislated to be directed to a not-for-profit tourism entity.**
- **The Tourism MSC’s sole purpose is to promote Brampton as a destination.**
- **A Service Level Agreement has been prepared that outlines the Tourism MSC’s purpose, accountability and relationship with Brampton.**
- **Once the Service Level Agreement is executed, funds would be transferred.**
- **Brampton staff will report back to City Council on a recommendation for the recruitment of a full-time Board of Directors.**
- **Municipal Accommodation Tax (MAT) revenues will continue to be deposited into the Tourism Cost Centre. Pending City Council approval, the Treasurer will be authorized to transfer fifty percent (50%) of MAT collections to the Tourism MSC’s Trust Fund.**
- **The expenditures of the Tourism MSC will be funded from MAT revenues and the Service Level Agreement (SLA) requires the MSC to report back to Council on an annual basis.**

## **BACKGROUND:**

December 2017 – the Province of Ontario introduced a Transient Accommodation Tax under Ontario Regulation 435/17, permitting municipalities to implement a tax on local accommodations for the purpose of supporting tourism growth in the community.

June 2021 – The Brampton Tourism Strategy, published and endorsed by City Council, recommended that Brampton implement a four percent (4%) MAT as well as to establish a Tourism MSC that would become the Brampton's destination marketing organization and the recipient of fifty percent (50%) of MAT revenue.

April 2023 – City Council approved a four percent (4%) MAT to be implemented. City Council also approved Brampton staff to begin the preparation of a work plan to support the creation of a Municipal Services Corporation pursuant to the requirements of Ontario Regulation 599/06 (Municipal Services Corporations).

January 2024 – Brampton began collecting four percent (4%) MAT from thirteen (13) accommodations, remitted monthly.

March 2025 – Brampton issued a Business Case Study in accordance with Section 6 of Ontario Regulation 599/06 (Municipal Services Corporations).

The Business Case Study was posted publicly for consideration and no feedback objecting to Brampton's establishment of a Tourism MSC was received. Letters of support were provided by the Downtown BIA and Brampton Arts Organization (BAO).

## **CURRENT SITUATION:**

Under the Ontario Regulation 435/17, Brampton is required to share a minimum of fifty percent (50%) of the MAT revenue with an Eligible Tourism Entity. As of 2025, an Eligible Tourism Entity does not exist in Brampton. Therefore, Brampton staff propose establishing a Tourism MSC to serve as the Eligible Tourism Entity.

The Business Case Study, attached as Schedule A, outlines the purpose, benefits and key responsibilities of the Tourism MSC and establishes the Brampton Tourism Strategy as the mandate and guiding document for the proposed Tourism MSC. The Tourism MSC must utilize its share of MAT revenues for the exclusive purpose of promoting tourism in Brampton. Promoting tourism includes marketing, advertising and tourism product development

### **Service Level Agreement – Tourism MSC Operating Model**

Ontario. Regulation 435/17 requires Brampton to enter into an agreement with the Eligible Tourism Entity that receives fifty percent (50%) of the MAT revenue, in this case, the Tourism MSC. This will ensure financial accountability and that the amounts paid to the Tourism MSC are used for the exclusive purpose of promoting Brampton as a destination.

The agreement will define the planned uses for MAT funds to be transferred to the Tourism MSC, reporting requirements, use of Brampton resources including Brampton staff and other relevant terms.

Key elements of the Service Level Agreement include;

- Compliance with applicable law
- Use of Brampton Resources
- Transfer of Funds
- Financial Reporting and Business Plans
- External Financial Audit

Legal Services staff will finalize the Service Level Agreement for Brampton to enter with the Tourism MSC.

### **Tourism MSC – Role of Council**

The role of City Council as it relates to the Tourism MSC is to act as the primary shareholder. City Council is responsible for the following items;

- Selection of the Board of Directors
- Approve annual budget
- Approve annual business plan

### **Tourism MSC – Role of the Board of Directors**

The Tourism MSC Board of Directors will be responsible for the day-to-day business operations of the Tourism MSC including the following;

- Strategic Planning – establish an annual business plan
- Financial Oversight – budget allocation and resources
- Industry Engagement – work with business stakeholders including accommodations, attractions, event hosts, cultural groups and others
- Develop Policies, Mission, Vision and Values
- Performance Measurement and Monitoring

### **Next Steps**

Brampton staff from the Strategic Communications, Tourism & Events, Legal Services, Clerks Office, Accounting Services, among others will finalize and prepare the necessary documents and agreements to be executed. Documents will include the Service Level Agreement, Asset Transfer Policy, Corporate By-Law, and any other constating documents.

Upon execution of the necessary documents to legally incorporate the Tourism MSC, 50% of MAT revenues collected in 2024 will be transferred from the Municipal Accommodation Tax Reserve Fund into the Trust Fund for the Tourism MSC.

The Interim Board of Directors will return to City Council with the following items:

- 2026 Business Plan and Operating Budget
- Recommendation for full-time Board of Directors

## **CORPORATE IMPLICATIONS:**

### **Financial Implications:**

Municipal Accommodation Tax (MAT) revenues will continue to be deposited into the Tourism Cost Centre. Pending City Council approval, the Treasurer will be authorized to transfer fifty percent (50%) of MAT collections into the Tourism MSC's Trust Fund.

The expenditures of the Tourism MSC will be funded from MAT revenues and the Service Level Agreement (SLA) requires the MSC to report back to Council on an annual basis.

### **Legal Implications:**

Legal Services shall ensure that the Tourism MSC adheres with all applicable law and shall assist in the drafting and execution of the necessary Tourism MSC documents including; the Service Level Agreement, Asset Transfer Policy, Corporate By-Law, and any other constating documents.

## **STRATEGIC FOCUS AREA:**

**Growing Urban Centres & Neighbourhoods:** Focusing on an economy that thrives with communities that are strong and connected. The Tourism MSC will deliver destination marketing and tourism product development, which will increase civic pride and support economic activity in local neighbourhoods.

**Government & Leadership:** Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency. The Tourism MSC will provide Brampton staff and industry stakeholders with clear strategies to promote Brampton as a destination and attract new business.

**Culture and Diversity:** Focusing on cultural diversity, cross-cultural understanding, and supporting artistic expression and production. The Brampton Tourism Strategy recommends producing communications that celebrates Brampton's vibrant arts and culture scene through events and performances. The Tourism MSC will highlight the positive cultural connections and stories that make Brampton a great place to visit.

## CONCLUSION:

In conclusion, an Eligible Tourism Entity must be established to use the MAT revenue to promote Brampton as a destination. A Tourism MSC enables Brampton to provide improved service delivery in the tourism sector, benefiting the associated local businesses and attracting new visitors. A Tourism MSC will have the sole purpose of promoting Brampton as a destination and attracting new business to the city.

As sole voting member of the Tourism MSC, City Council has the responsibility to delegate authority to execute key enabling documents and appoint the initial Board of Directors. With approval of the recommendations in this report, Council will enable Brampton staff to form the governance, leadership, management and operations of the new Tourism MSC. This will help grow Brampton and develop its visibility as a destination.

Authored by:

Reviewed by:

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Gage Board,  
Supervisor, Tourism  
Strategic Communications, Tourism &  
Events

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Natalie Stogdill,  
A/ Director  
Strategic Communications, Tourism &  
Events

Approved by:

Approved by:

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Jason Tamming,  
A/ Commissioner  
Corporate Support Services

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Marlon Kallideen,  
Chief Administrative Officer

## Attachments:

- Attachment 1 – Business Case Study
- Attachment 2 – Service Level Agreement