



Staff Report

To: Council
From: Acting Director of Development Services
Subject: Amenity Cost Charges (ACC) Rate Options

File No.: 5040-20
Date: December 10, 2025

PURPOSE:

To provide Council with Amenity Cost Charge (ACC) options that include Institutional and Industrial rates prior to consideration and readings of an ACC Bylaw. This report also provides Council with an opportunity to review the ACC Project List prior to consideration of proving readings to the proposed ACC Bylaw.

BACKGROUND:

In August 2024, Urban Systems commenced supporting City staff with the development of an Amenity Cost Charge (ACC) Bylaw in conjunction with the City’s Development Cost Charge (DCC) review project. ACCs are fundamentally similar to DCCs as they are intended to recover the cost of new, upgraded and expanded recreation and cultural infrastructure and amenities related to growth. At the same time, ACCs and DCCs differ in the projects their funding can be used for (see Figure 1).

Figure 1: Difference between ACCs and DCCs

Table 1 Difference Between ACCs and DCCs		
	Amenity Cost Charges (ACCs)	Development Cost Charges (DCCs)
Can be levied to recover costs for:	Any “Amenity” that provides social, cultural, heritage, recreational and environmental benefits, including but not limited to: <ul style="list-style-type: none"> • Community, youth or seniors’ centres • Recreation or athletic facilities • Libraries • Daycare facilities • Public squares 	<ul style="list-style-type: none"> • Water • Sewer • Drainage • Highway Facilities • Parks Acquisition and Improvements • Fire Protection • Police • Solid Waste Facilities • Recycling Facilities

The new ACC program will capture current capital costs for amenities that are driven by growth. The proposed rates ensure that those who will use and benefit from City-provided amenities share the growth-related costs in a fair and equitable manner. Key drivers for the development of the City of Courtenay ACC program include:

- Meeting the needs arising from future development and growth; and,
- Ensuring timely and transparent recovery on the capital cost of amenities.

Urban Systems and City staff provided an update and overview of an ACC program at the December 18, 2024 and October 15, 2025 Council meetings; the associated reports are linked in Attachment 1 and Attachment 2. On October 15, 2025, Council directed staff to return with a report with options for “Institutional” and “Industrial” as ACC categories prior to the introduction of an ACC bylaw.

On November 19, 2025, Council provided direction to staff regarding the outdoor Memorial pool replacement and expansion project. In response the ACC project list has been amended to rename the Outdoor Pool Expansion project to Recreation Facility Expansion to provide additional flexibility on the provision of recreational amenities to meet the needs of future growth (Table 1).

DISCUSSION:

Most ACC bylaws include charges for residential development, on the basis that residential properties, and their residents, typically drive most of the need for growth-related amenities. In addition, non-residential developments that result in an increase in population of workers may also be charged ACCs. The ACC legislation requires a close connection between projected population and employment growth and the planning of amenities to support that growth. Local governments should also consider the regional context of employment, where major employers often serve populations across multiple municipalities.

Table 1 below, Proposed ACC Project List, outlines the fees associated with various amenities, designed to ensure that the costs related to growth are equitably shared by those who will utilize the City-provided facilities. This program emphasizes addressing the needs arising from future development while facilitating transparent recovery of capital costs.

Table 1: Proposed ACC Project List

Project Name	*Project Timing	Cost Estimate (2024 \$)	Benefit %	Benefit to New Growth	Assist Factor (1%)	ACC Funded	Total Municipal Cost
Community Centre Expansion	Long	\$20,000,000	50%	\$10,000,000	\$100,000	\$9,900,000	\$10,100,000
Florence Filberg Centre Expansion	Medium	\$5,000,000	25%	\$1,250,000	\$12,500	\$1,237,500	\$3,762,500
Recreation Centre Expansion	Short	\$32,000,000	30%	\$9,600,000	\$96,000	\$9,504,000	\$22,496,000
Sports fields (e.g., field and diamond addition)	Ongoing	\$5,000,000	25%	\$1,250,000	\$12,500	\$1,237,500	\$3,762,500
Pickleball Courts	Short	\$600,000	30%	\$180,000	\$1,800	\$178,200	\$421,800
Dog Parks	Short	\$150,000	50%	\$75,000	\$750	\$74,250	\$75,750
Cultural Facility Expansion	Medium	\$5,000,000	50%	\$2,500,000	\$25,000	\$2,475,000	\$2,525,000
LINC & Skateboard Park Expansion	Medium	\$1,000,000	25%	\$250,000	\$2,500	\$247,500	\$752,500

Project Name	*Project Timing	Cost Estimate (2024 \$)	Benefit %	Benefit to New Growth	Assist Factor (1%)	ACC Funded	Total Municipal Cost
Spray Park	Short	\$2,000,000	25%	\$500,000	\$5,000	\$495,000	\$1,505,000
Park Amenity Program	Ongoing	\$2,000,000	25%	\$500,000	\$5,000	\$495,000	\$1,505,000
		\$72,750,000		\$26,105,000	\$261,050	\$25,843,950	\$46,906,050
<i>*Short (1-5 yrs), Medium (5-10 yrs), Long (10+ yrs)</i>							

The Provincial ACC Best Practices Guide¹ recommends the use of employment projections to distribute the ACC program cost among non-residential land uses. The Guide recommends that local data and knowledge be used as a check and balance to the employment projections. The growth-related portion of amenity program capital costs are allocated between residential and non-residential sectors based on the residential and employment growth projections over the 20-year program timeframe.

Options for Council Consideration

Options for applying Amenity Cost Charges (ACCs) to various land uses have been developed to support community infrastructure and amenities. Three distinct options are available for Council's consideration, each reflecting different combinations of residential, commercial, industrial, and institutional land uses, along with proposed ACC rates and justifications. The subsequent details highlight the rationale and potential impacts associated with each of the following options:

- Option 1 – Residential and commercial uses (recommended)
- Option 2 – Residential, commercial and industrial uses
- Option 3 – Residential, commercial, industrial and institutional uses

Option 1 – Residential and commercial uses (recommended)

Option 1 assigns ACC charges to both residential and commercial uses as presented and recommended in the October 15, 2025, report to Council (see table 2). The rationale of charging rates to commercial uses is related to Courtenay's position in the region as a commercial centre and the likelihood of employees in a commercial setting to use community amenities in Courtenay due to alignment of operating hours, meeting room space, lunch hour programming, and proximity of commercial spaces to amenities. Commercial uses generally include buying, selling, or trading of goods or services direct to consumers, administrative, professional or other business operations and would apply to commercial land uses and workers even if employed by a public body. For example, a public organization may occupy an office building for professional services or administrative offices that would be considered commercial for the purposes of calculating ACCs, as the charge is based on the use and not the owner of the space to be constructed.

Table 2: Option 1, Residential and Commercial Use ACC Rate Application

¹ Amenity Cost Charge Best Practices Guide, Released April 10, 2025, Updated August 25, 2025, Province of B.C.
https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/finance/amenity_cost_charge_best_practices_guide.pdf

Land Use	ACC Rate
Low Density Residential	\$6,643 / lot or unit
Medium Density Residential	\$3,618 / unit
High Density Residential	\$42.56 / square metre (~\$3,163 / unit)
Commercial	\$13.84 / square metre
Industrial or Institutional	None

Option 2 - Residential, Commercial and Industrial Use

Both Option 2 and Option 3 include industrial only and industrial plus institutional, respectively and weight new employees based on the assumption that they will not use new amenities to the same extent as new residents and that a high percentage of the workforce are also residents. For example, employees are weighted at 25%, assuming that the additional demand on amenities generated by gross new employees would be 25% of the additional demand that would be generated by the same number of new residents.

Option 2 includes industrial uses in addition to residential and commercial. Proposed rates are shown in Table 3. These uses were not proposed in the draft ACC rates presented to Council on October 15, 2025 as future industrial growth in Courtenay does not have the same proximity to recreational and cultural amenities as projected commercial growth. Non-resident industrial employees are not anticipated to benefit to the same extent as commercial employees from the provision of the proposed amenities and associated programming.

Table 3: Option 2 , Residential, Commercial, and Industrial Land Use ACC Rate Application

Land Use	ACC Rate
Low Density Residential	\$6,466 / lot or unit
Medium Density Residential	\$3,522 / unit
High Density Residential	\$41.43 / square metre (~\$3,079 / unit)
Commercial (25% weight)	\$15.35 / square metre
Industrial (25% weight)	\$5.48 / square metre
Institutional	None

Option 3 - Residential, Commercial, Industrial and Institutional Use ACC Rate Application

Option 3 includes institutional uses in addition to residential, commercial and industrial. Proposed rates are shown in Table 4. One consideration of charging institutional ACCs is that institutional use generally includes government facilities, services dedicated to religious, charitable and non-profit uses, educational, recreational, health, or welfare purposes, and Community Care Facilities. Institutional developments such as libraries, public health cares, schools, and recreation facilities are often amenities to the community in their own rights. For clarity, office, service or retail type uses within an institutional building would be charged the commercial ACC rate even if they were to be used or developed by a public institution as ACC are calculated based on use.

Table 4: Option 3, Residential, Commercial, Industrial and Institutional Land Use ACC Rate Application

Land Use	ACC Rate
Low Density Residential	\$6,406 / lot or unit
Medium Density Residential	\$3,489 / unit
High Density Residential	\$41.05 / square metre (~\$3,051 / unit)
Commercial (25% weight)	\$15.20 / square metre
Industrial (25% weight)	\$5.43 / square metre
Institutional (25% weight)	\$8.77 / square metre

Given the limited connection between potential industrial employees and the recreational and cultural amenities offered through the ACC program, largely due to their proximity to one another and the fact that institutional uses often serve as amenities themselves, Option 1 is recommended. This option suggests charging ACC rates exclusively to residential and commercial entities; however, all three options are defensible should Council wish to provide alternative direction.

Implementation Timeline

Once Council has provided direction on the land use categories to include in the ACC program, the next step in the process is to present the ACC bylaw and associated rates to Council for consideration of readings in January 2026.

The City has retained Urban Systems to support both DCC and ACC work. Unlike DCC bylaws, ACC bylaws do not require Inspector of Municipalities approval between third and fourth reading, which will streamline the timeline for adoption with the DCC bylaw that is scheduled to be presented to Council on December 10, 2025 . Implementing revised DCCs and a new ACC program in tandem will provide administrative efficiency and process clarity.

In-Stream Protection

Local Government Act, section 570.91 includes provisions to protect development applications that are already in progress (“instream” or “precursor applications”) from new ACC charges. When a local government adopts their first ACC bylaw, the charges do not apply to any development for which the local government has received a complete application for a building permit, development permit, or zoning bylaw amendment prior to the bylaw’s adoption.

When the municipality amends the ACC Bylaw in the future, applicants who have submitted complete applications for a building permit, development permit, or zoning bylaw amendment are granted a 12-month exemption from the new ACC rates (see Figure 2).

POLICY ANALYSIS:

Bill 46 – Housing Statutes (Development Financing Act), 2023 amends the *Local Government Act* to enable local governments to finance the cost of new public amenities that are needed as a result of new growth

through the establishment of an ACC program, rates and bylaw. Community Amenity Contribution (CACs) have been a traditional amenity contribution negotiated through the rezoning approval process. With the provincial mandate to require local governments to pre-zone for 20 years of housing, the ability to negotiate amenities through individual applicant-driven rezoning will become less frequent. Further, ACCs provide for a more transparent and predictable approach to the expectations of new development contributions to growth-related amenities.

Two best practice guides have been published by the Province:

- Amenity Cost Charge Guide for Elected Officials, Released April 10, 2025, Updated August 25, 2025 (Attachment 3)
- Amenity Cost Charge Best Practices Guide, Released April 10, 2025, Updated August 25, 2025, Province of B.C. (Attachment 4)

FINANCIAL IMPLICATIONS:

The Province has recently clarified the protection provided to in-stream applications during the development of a local government's initial ACC bylaw. Approval of the ACC bylaw enables collection of charges on new subdivision and building permits applicable under the bylaw, provided they do not have instream application protection. The total revenue anticipated is subject to actual growth and density of developments.

ACC charges on new development applications would provide funding for investment in recreation and culture infrastructure to support that growth. Implementation of the programs as soon as possible will support new development funding their share of infrastructure costs and will mitigate costs to existing taxpayers. Based on the projected growth rates and the proposed ACC rates with a 1% municipal assist, the program could collect up to \$26 million over the 20-year program from development activity, offsetting the projected \$73 million in capital costs (see Attachment 1 for more information – October 15, 2025 Staff Report – Amenity Cost Charge Program and Rates). The resulting municipal responsibility is a contribution of \$43 million over the 20-year program equaling an annual responsibility of \$2.3 million. The municipal responsibility would increase should Council elect to increase the assist factor from 1%, resulting in an additional cost to existing taxpayers.

Establishing ACC programs will assist in financial planning for recreation and cultural infrastructure and facilities related to growth. Any money collected is kept in reserve until projects are advanced for approval. The use of ACC funds is restricted, limited to only funding the growth-related costs of projects that are identified in the program.

Cyclical reviews of the programs are necessary and provide an opportunity to report back on the efficacy of the program. The ACC program should be reviewed when master plans or detailed facility planning is completed and revised every 3-5 years. It is recommended to time these updates with DCC program updates to create efficiencies and ensure alignment.

ADMINISTRATIVE IMPLICATIONS:

Development Services is leading the ACC project with the support of Urban Systems. Support from, Recreation, Culture and Community Services and Finance is required to develop the ACC program and

establish cost estimates. City staff will be required to support the consultant team with the coordination and preparation of the ACC bylaw for adoption. Cross-departmental coordination is required to implement the ACC.

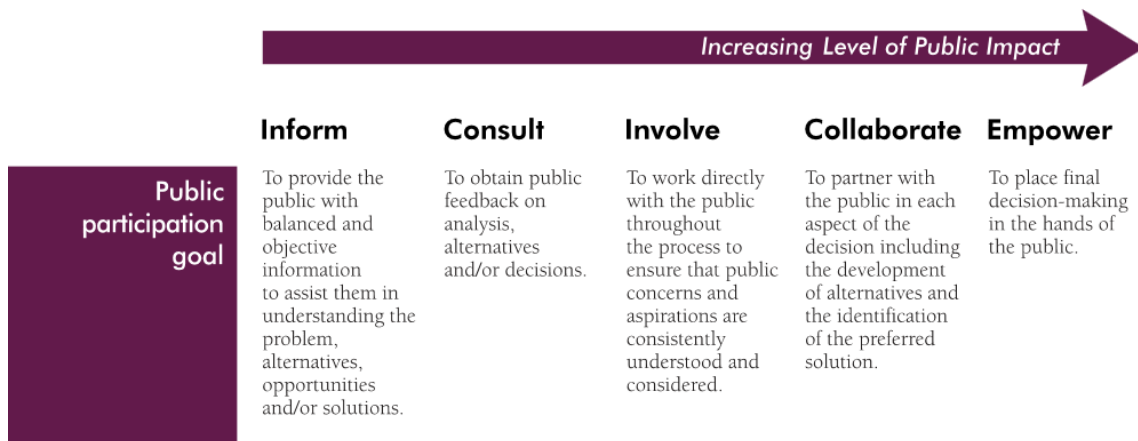
STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Update Development Cost Charges (DCC) Bylaw

PUBLIC ENGAGEMENT:

Based on the IAP2 Spectrum of Public Participation, staff have informed the public through the launch of a dedicated Engage Comox Valley webpage (October 14, 2025) and consulted with the development community through in person and online survey means, in the creation of the ACC rates and program.



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The draft ACC rates were presented to Council on October 15, 2025. Council then directed staff to proceed with development industry engagement, which included the following:

- Direct engagement with developers and interested parties via an in-person roundtable discussion.
- Informed engagement through the provision of the draft ACC rates, program, reports, and presentations on the Engage Comox Valley dedicated ACC webpage: engagecomoxvalley.ca/courtenay-acc
- A survey that was sent out to the development industry mailing list

Notice of the engagement was posted on the engagement website, and an invitation was sent directly to the City's list of developers a number of times in October.

The in-person industry engagement session took place on October 21st, 2025, from 12pm to 2pm. Engagement was done in tandem with the City's OCP update and Density Bonus considerations. The event featured a presentation on the proposed ACC rates, opportunities for discussion with staff and other interest holders. Approximately 40 participants attended the event.

Key feedback from the interest holder engagement included the following:

- An understanding that growth creates demand for expanded community amenities
- Concerns around higher rates and impact on development viability
- Application process streamlining, pre-zoning, and aligning infrastructure capacity improvements with growth areas can reduce complexity, costs and timelines to offset increased ACC/DCC

OPTIONS:

1. THAT Council direct staff to prepare a bylaw to establish an Amenity Cost Charges program and include residential and commercial use ACC rates as outlined in Option 1.
2. THAT Council direct staff to prepare a bylaw to establish an Amenity Cost Charges program and include residential, commercial and industrial use ACC rates as outlined in Option 2.
3. THAT Council direct staff to prepare a bylaw to establish an Amenity Cost Charges program and include residential, commercial, industrial and institutional use ACC rates as outlined in Option 3.
4. THAT Council provide alternative direction to staff.

ATTACHMENTS:

1. October 15, 2025 Staff Report – Amenity Cost Charge Program and Rates
2. December 18, 2024 Briefing Note – Development Cost Charge and Amenity Cost Charge Update
3. Amenity Cost Charge Guide for Elected Officials, Released April 10, 2025, Updated August 25, 2025, Province of B.C.
4. Amenity Cost Charge Best Practices Guide, Released April 10, 2025, Updated August 25, 2025, Province of B.C.

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