



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council  
**From:** City Manager (CAO)  
**Subject:** 2024 MRDT Tactical Plan

**File No.:** 6900-01 [2024]  
**Date:** October 25, 2023

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### PURPOSE:

The purpose of this report is to request Council approval of the 2024 Municipal and Regional District Tax (MRDT) Tactical Plan prepared by Experience Comox Valley (4VI) to be submitted to Destination BC and to approve the Appendix 1.8 Affordable Housing MRDT Plan prepared by staff.

### EXECUTIVE SUMMARY:

The City of Courtenay's MRDT was approved in 2021 on the basis that there would be support for management and administration of the funds by a third-party contractor (4VI) that is the official Destination Management Organization (DMO) for Courtenay. Governance of the MRDT is supported by a Tourism Advisory Committee (TAC).

The agreement between the City and 4VI to provide for management, delivery and reporting of the MRDT funds on behalf of the City of Courtenay requires that 4VI submit an annual MRDT Tactical Plan for review and approval.

### BACKGROUND:

Due to the contract termination and wind up of the Comox Valley Economic Society (CVEDS), the previous MRDT regulation in place for the City of Courtenay was repealed as of August 31, 2021. A new application was submitted to re-establish the tax, which was approved by the Ministry of Finance and is effective September 1, 2021.

On September 27, 2021 Council approved the agreement between the City of Courtenay and 4VI to provide for management, delivery and reporting of the MRDT funds on behalf of the City of Courtenay.

### DISCUSSION:

Over the course of a calendar year, MRDT is collected and paid to the City on a monthly basis and those funds are then transferred to 4VI.

4VI is responsible for maintaining the appropriate accounting records of the MRDT funds and responsible to provide the required financial reports to the City throughout the year.

4VI has completed the attached 2024 MRDT Tactical Plan with direction from the Tourism Advisory Committee (TAC) and upon City review of the documentation, the 2024 MRDT Tactical Plan will be submitted to Destination BC.

**2024 MRDT Tactical Plan**

Online Accommodation Platform (OAP) funds are subset of the MRDT funds collected. OAP funds are collected from online accommodation platform accommodation bookings such as Airbnb occurring within the City. OAP revenue is eligible to be spent on tourism initiatives or affordable housing initiatives if appendix 1.8 – Affordable Housing MRDT Plan is submitted and approved by the Province. Since September 1, 2021 all OAP funds have been held in anticipation of an appendix 1.8 being completed. As of July 2023, the City has accrued \$914,200 of OAP funds and to date no spending as occurred from these OAP funds. OAP funds are not guaranteed and in 2023 have varied from a monthly high of \$52,100 to a low of \$12,050.

The proposed appendix 1.8 identifies these funds to go towards a housing needs assessment to inform a housing action plan along with continued funding of various affordable housing projects as they occur. Once the housing action plan is completed it is expected that the OAP funds would be put towards completing items as identified in the assessment.

**POLICY ANALYSIS:**

Section 123 of the *Provincial Sales Tax Act* imposes a tax of up to three percent on the purchase price of accommodation in a specified geographic area of the province on behalf of a designated recipient.

The *Designated Accommodation Area Tax Regulation, B.C. Reg. 93/2013* sets out the authorized purposes for funds collected under the MRDT program.

**FINANCIAL IMPLICATIONS:**

The MRDT generates approximately \$350,000 annually to provide tourism marketing, programs and projects for the Comox Valley. With the support of 4VI, there are no budget implications to the City of Courtenay for the administration of the MRDT.

**ADMINISTRATIVE IMPLICATIONS:**

Once Council approves the 2024 Municipal and Regional District Tax (MRDT) Tactical Plan, it will be submitted to Destination BC.

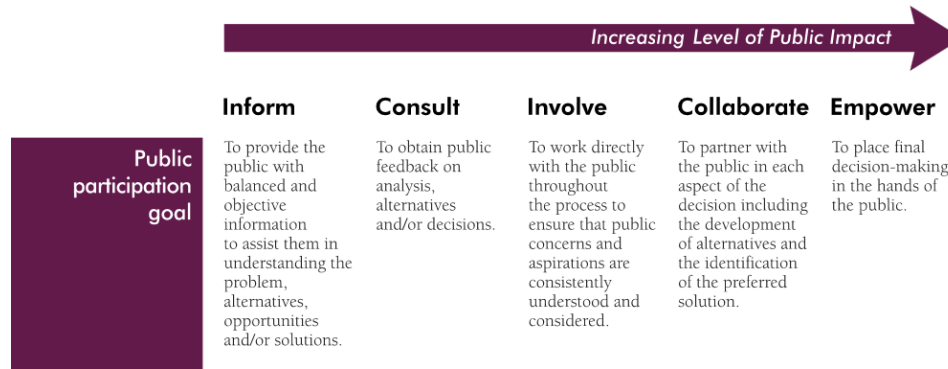
**STRATEGIC PRIORITIES REFERENCE:**

This initiative addresses the following strategic priorities:

- Affordable Housing - Explore approaches to develop affordable housing: Develop strategy for housing amenity fund

**PUBLIC ENGAGEMENT:**

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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**OPTIONS:**

1. THAT Council approve the 2024 Municipal and Regional District Tax (MRDT) Tactical Plan as prepared by Experience Comox Valley (4VI) and staff.
2. That Council defer the approval of the 2024 MRDT Tactical Plan for further discussion at a later Council meeting.

It should be noted that deferring the approval of the 2024 MRDT Tactical Plan may hinder Council's ability to meet the statutory November 30, 2023 deadline.

**ATTACHMENTS:**

1. 2024 MRDT One Year Tactical Plan
2. 2024 MRDT Appendix 1.8 Affordable Housing Plan – City of Courtenay

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