

DATE: May 28, 2025
TO: Jordan Wall, Chief Administrative Officer
FROM: Urban Systems Ltd.
FILE: 3791.0023.08
SUBJECT: Town of Comox – DRAFT Amenity Cost Charge (ACC) Memorandum

1.0 BACKGROUND

In 2024, the Town of Comox (Town) initiated the process to develop an Amenity Cost Charge (ACC) bylaw. The Town does not currently collect ACCs; the ACC program has been created in response to anticipated growth from recent legislative changes.

As a new cost-recovery tool, many municipalities across B.C. are implementing ACCs to support municipal financial sustainability. The advantages of implementing an ACC bylaw are as follows:

- Provides certainty to the development community about amenity upgrade costs.
- Ensures costs for future amenities are fairly distributed across the benefiting developments.
- Fosters fairness by ensuring the development community and existing property taxpayers share the costs of growth-related amenities.
- Minimizes financial risk by allowing the Town to save for growth-related amenity costs.

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

- Community growth and changing development patterns.
- New amenities required to meet the needs arising from future development and growth.
- Ensuring timely and transparent cost recovery on capitalized amenities.

The Town's new ACC program aligns with the new Development Cost Charge (DCC) program, which drew on capital planning, population growth modelling, as well as conversations with key staff across various departments.

This memo presents the Town's proposed ACC rates and program. The proposed 2025 ACC rates are provided in **Table ES-1**.

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Table ES-1: Proposed ACC Rates

Land Use	Unit	Total ACC Rate
Low-Density Residential	per lot	\$9,991
Medium-Density Residential	per dwelling unit	\$4,671
High-Density Residential	per m ² of GFA	\$55.58
Commercial	per m ² of GFA	\$0.00
Industrial	per m ² of GFA	\$0.00
Institutional	per m ² of GFA	\$0.00

Please note that the material provided in this memorandum is meant for information only. The Town's adopted ACC Bylaw should be referred to for rates and requirements.

2.0 ACC KEY ELEMENTS

As is also the case with DCCs, there are key elements within an ACC program that should be considered when determining rates. **Table 1** outlines the key elements, decisions, and supporting rationale used in this update.

Table 1. ACC Key Elements

Key Element	ACC Program	Rationale	Aligns with DCC Program?
Time Horizon	20 Years	Aligns with capital plans and infrastructure planning studies	✓
Town-wide or area-specific charge	Town -wide charge	ACC projects are components of Town-wide infrastructure/parks systems and therefore provide a Town-wide benefit	✓
Grant Assistance	None	No identified ACC projects include grant assistance	✓
Developer Contribution	None	No identified ACC projects include a developer contribution	✓
Financing	No	No identified ACC projects include financing	✓
Benefit Factor	20% to 100%	100% benefit is allocated to projects required only to increase capacity due to growth or to service growth. 20% benefit is allocated to projects where both new and existing residents will benefit, benefit has been calculated based on the ratio of new population to total population.	✓
Municipal Assist Factor (MAF)	1%	A 1% municipal assist factor was selected by Council to reflect best practice.	✓

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Key Element	ACC Program	Rationale	Aligns with DCC Program?
Units of charge	Per lot, per dwelling unit, and per m ² Gross Floor Area (GFA)	Per lot for low density residential. ACCs are levied on single family dwellings at time of subdivision or building permit, as determined by the Town, to collect ACCs as early in the process as possible. Per dwelling unit for medium density. ACCs are levied on ground-oriented attached dwellings and apartment units at building permit when the number of units is known. Per m² of Gross Floor Area (GFA) for high density residential as impact on infrastructure is expected to correlate most closely with floor space.	✓
Economic Viability	Underway	The Province recommends that economic analysis be conducted to determine the economic impacts of ACCs on development. At this time, the Town has not completed an economic analysis.	✓

3.0 ACC PROJECTS AND COSTS

ACC rates are determined by using the same technical inputs applied to DCCs (i.e., growth projections, equivalencies). These inputs are applied to projects that are ACC eligible and expected to be built within the specified program timeframe.

3.1 ACC PROJECTS

The proposed projects align the ACC programs with current hard costs (i.e., construction, materials) and were vetted for eligibility according to the Ministerial requirements for ACCs. Capital costs for projects are based on new project lists and include contingency and engineering allowances. A summary of the ACC project lists is included in **Table 2**; the comprehensive ACC project list is provided in **Appendix A**.

Table 2. ACC Project List Summary

Service	Project List Summary
Amenities	• Village Field Master Plan • Recreation Centre expansions • Skills Trail • Basketball Courts • Park amenities (e.g., shade structures, covered picnic shelters, pathway lighting)
<i>Note: the Town of Comox will own and control all projects in this ACC program.</i>	

3.2 BENEFIT FACTORS

As is also the case with DCCs, project benefit factors (or benefit allocations) for ACCs are used on a project-by-project basis to determine the extent to which a proposed amenity benefits future growth versus existing users.

Some ACC projects may benefit the population at large, in which case the capital costs (or a portion of them) should be shared by the entire community. Other projects will only benefit new growth, in which case the new users benefiting from these services will pay most of the project costs.

The benefit factor of each ACC eligible project was evaluated on a scale of 25% to 100% using two main approaches:

1. Baseline - Benefit to the population at large (20%)

Primarily benefits existing development but will also add capacity that proportionately benefits and supports the future population of the community, which is expected to grow by approximately 20% over the next 20 years.

2. Rule of thumb – fully growth driven (100%)

Benefits future development and would not be required if not for growth occurring. Purely growth driven infrastructure projects.

A summary of the benefit factor methodology is included in **Table 3**.

Table 3. Summary of Benefit Factor Methodology

Service	Benefit Allocation (Developer Responsibility)	Benefit Factor Methodology
Amenities	20% to 100%	Benefit to the population at large AND rule of thumb

3.3 ACC COSTS

The total ACC Program Capital Costs amount to **\$10.2 M**—of those costs, **\$19.3 M** are eligible for recovery through ACCs (i.e., paid by the development community). The Town is responsible for funding the remaining **\$894 K (\$44.7 K/year)** through Town revenues (e.g., property tax). This is a key consideration for Council when

considering the Town's financial sustainability and the costs to developers and existing taxpayers. These costs are included in **Table 4**.

Table 4. Total Cost of Proposed ACC Program

Program Inputs				Developer Responsibility	Municipal Responsibility	
Service	Total Capital Costs	Benefit Factor	Municipal Assist Factor	ACC Recoverable Program Costs	Municipal Costs	Annual Municipal Costs (20 y)
Amenities	\$10.2 M	20-100%	1%	\$9.3 M	\$894 K	\$44.7 K

3.4 INTEREST ON LONG-TERM DEBT

No interest on long-term debt is included in the ACC program.

4.0 PROPOSED ACC RATES

ACC rates are determined by applying the key elements, growth projections, and equivalencies described earlier in this report to projects that are ACC eligible and expected to be built within the specified ACC timeframe.

Table 5 below summarizes the total proposed ACC rates for the Town, along with each ACC program. The ACC rate is only going to be charged on residential uses. ICI uses will not be charged ACCs. The ACC calculations were based on a 1% assist factor for all categories.

Table 5. Total ACC Rates

Land Use	Unit	Total
Low-Density Residential	Per lot	\$9,991
Medium-Density Residential	Per dwelling unit	\$4,671
High-Density Residential	Per m ² of GFA	\$55.58
Commercial	Per m ² of GFA	\$0.00
Industrial	Per m ² of GFA	\$0.00
Institutional	Per m ² of GFA	\$0.00
<i>*The ACC rates include a 1% Municipal Assist Factor</i>		

5.0 STAKEHOLDER CONSULTATION

[PLACEHOLDER – will be finalized once the consultation has been completed]

6.0 ACC IMPLEMENTATION

Generally, the implementation of an ACC bylaw aligns with the implementation of a DCC bylaw. Notable differences are outlined in the following section.

6.1 BYLAW EXEMPTIONS

As per the *Local Government Act (LGA)*, an ACC is not payable if any of the following apply at the time of application for a building permit:

- The building permit authorizes the construction, alteration, or extension of a building or part of a building that is, or will be, after the construction, alteration, or extension, exempt from taxation under section 220(1)(h) or 224(2)(f) of the *Community Charter*;
- An ACC is not payable in relation to affordable and special needs housing units that are required under an affordable and special needs housing zoning bylaw as defined under section 478(1) of the *LGA*;
- No increase in the population of residents or workers is expected to result from the development;
- An ACC in respect of a particular amenity is not payable if an ACC in respect of that amenity has previously been paid for the same development, unless further development is expected to result in an increase in the population of residents or workers;
- An ACC is not payable in respect of a capital cost for which a DCC may be imposed;
- The development falls within any class of affordable housing prescribed by regulation; or,
- The *LGA* or any regulations thereunder provide that no ACC is payable.

6.2 COLLECTION OF CHARGES – BUILDING PERMIT AND SUBDIVISION

Municipalities will collect ACCs at the same time DCCs are collected.

6.3 COLLECTION OF ACCs ON REDEVELOPED OR EXPANDED DEVELOPMENTS

Collection of ACCs in cases of redevelopment or expansion will follow the precedent set by DCC collection (i.e., if DCC credits are provided for the existing development, ACC credits will also be provided).

6.4 IN-STREAM PROTECTION AND PHASE-IN OF ACC RATES

The new ACC rates will be in force as per the effective date in the ACC Bylaw upon adoption. Protection from rate increases for development applications submitted prior to the adoption date will be provided as per legislation.

6.5 REBATES AND CREDITS

The Town should establish a practice to guide staff in the collection of ACCs and the use of ACC credits. Policies for ACC credits, rebates, and latecomer agreements can be drafted to assist staff with development finance administration.

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6.6 ACC MONITORING AND ACCOUNTING

To monitor the ACC Program, the Town should enter all the projects contained in the ACC program into a tracking system, such as the one established for DCCs.

Local governments are required to prepare a publicly available report regarding ACC collection and use of funds before June 30 of each year. These reports must include the following information:

- Amount of ACCs received;
- Expenditures from ACC reserve fund(s), including any expenditures made to a person or public authority under a partnering agreement;
- The balance in the ACC reserve fund(s) at the start and end of the applicable year;
- Any waivers or reductions made; and,
- Any in-kind amenity contributions.

6.7 ACC REVIEWS

Local governments can update their ACC bylaw as needed. For efficiency, it is recommended that updates are aligned with land use and financial planning cycles. Local governments may also consider reviewing and updating ACC bylaws in line with DCC updates, new and updated financial plans, OCPs, HNRs, and/or zoning bylaws.

APPENDIX A: ACC PROJECT LIST AND CALCULATIONS

Project No.	Col. (1)		Col. (2)	Col. (3)	Col. (4) = Col. (2) x Col. (3)	Col. (6)	Col. (7) = Col. (4) - Col. (6)	Col. (8) = Col. (2) - Col. (7)
	Project Name	Description	Cost Estimate (2025\$)	Benefit Factor %	Benefit to New Development	Municipal Assist Factor 1%	ACC Recoverable	Total Municipal Responsibility
ACC-001	Village Field Master Plan		\$ 200,000	100%	\$ 200,000	\$ 2,000	\$ 198,000	\$ 2,000
ACC-002	Recreation Centre	Fitness studio expansion	\$ 4,000,000	100%	\$ 4,000,000	\$ 40,000	\$ 3,960,000	\$ 40,000
ACC-003	Recreation Centre	North Entrance expansion	\$ 5,000,000	100%	\$ 5,000,000	\$ 50,000	\$ 4,950,000	\$ 50,000
ACC-004	CC/Village Park - Basketball Courts	Creation of a central Recreation hub at CC.	\$ 150,000	20%	\$ 30,000	\$ 300	\$ 29,700	\$ 120,300
ACC-005	CC/Village Park - Skills Trail	New	\$ 650,000	20%	\$ 130,000	\$ 1,300	\$ 128,700	\$ 521,300
ACC-006	Lancaster Park - Covered Picnic Shelter	New	\$ 50,000	20%	\$ 10,000	\$ 100	\$ 9,900	\$ 40,100
ACC-007	Lancaster Park - Pathway Lighting	New	\$ 100,000	20%	\$ 20,000	\$ 200	\$ 19,800	\$ 80,200
ACC-008	Marina Park - Shade Structures	New	\$ 50,000	20%	\$ 10,000	\$ 100	\$ 9,900	\$ 40,100
Totals			\$10,200,000		\$9,400,000		\$9,306,000	\$894,000

A: ACC Calculation						
Land Use	Col. (1)	Col. (2)	Col. (3)	Col. (4) = (1) x (3)		Col. (5) = (4) / (a)
	Estimated New Development	Unit	Persons Per Unit (Residential)	Equivalent Population		
Low Density Residential	280	Per Parcel or Dwelling Unit	3.8500	1,078		30%
Medium Density Residential	380	Per Parcel or Dwelling Unit	1.8000	684		19%
High Density Residential	1,140	Per Parcel or Dwelling Unit	1.6000	1,824		51%
Commercial	13,700	Per sq.m. of GFA	0.0000	-		0%
Institutional	3,820	Per sq.m. of GFA	0.0000	-		0%
Industrial	20,000	Per sq.m. of GFA	0.0000	-		0%
			Total Equivalent Population	3,586	(a)	100%
B: Unit ACC Calculation						
Net ACC Program Recoverable		\$9,306,000	(b)			
Existing ACC Reserve Monies		\$ -	(c)			
Net Amount to be Paid by ACCs		\$9,306,000	(d) = (b) - (c)			
DCC per Equivalent Population		\$2,595.09	(e) = (d) / (a)			
C: Resulting ACCs						ACC Revenue Estimates
Low Density Residential		\$9,991	Per Parcel or Dwelling Unit	(e) x Col. (3)		\$2,797,480
Medium Density Residential		\$4,671	Per Parcel or Dwelling Unit	(e) x Col. (3)		\$1,774,980
High Density Residential		\$4,152	Per Parcel or Dwelling Unit	(e) x Col. (3)		\$4,733,280
		\$55.58	Per sq.m. of GFA			
Commercial		\$0.00	Per sq.m. of GFA	(e) x Col. (3)		\$0
Institutional		\$0.00	Per sq.m. of GFA	(e) x Col. (3)		\$0
Industrial		\$0.00	Per sq.m. of GFA	(e) x Col. (3)		\$0