

March 27<sup>th</sup>, 2026

Mayor Lahti and Council,  
City of Port Moody  
100 Newport Drive, BC, V3H 5C3, Canada

**RE: Project Viability Impacts of Proposed City DCC Increases and Introduction of ACC Program**

Dear Mayor Lahti and Council,

We are writing to express our profound concern regarding the proposed updates to the City's Development Cost Charges (DCCs) and the introduction of the Amenity Cost Charges (ACC) program. While we understand the City's need to fund growth-related infrastructure, the sheer magnitude of the proposed rate hikes—particularly Staff's recommended Option 5—poses an existential threat to the viability of in-stream projects, including Phase 2 of our Moody Centre development.

The economic climate for housing delivery is exceptionally fragile, as the industry is already burdened by delivery costs. Proceeding with these unprecedented fee increases will abruptly halt the momentum we have collectively built over the last four years, indefinitely delaying the very housing, civic amenities, infrastructure, and employment spaces the City desires.

**Financial Reality for Phase 2**

Phase 2 of our Moody Centre development comprises 654 residential units and 52,000 SF of employment space plus childcare. Applying the proposed rates to Phase 2 yields very concerning outcomes:

- Under the staff-recommended Option 5 (50% Parkland Strategy), the DCC rate equates to \$25,823 per unit, representing a staggering 168% increase to the City's DCC portion alone.
- This translates to an unaccounted for additional **\$11.0 million (+168%)** cost the project.
- Even under the reduced Option 6 (25% Parkland Strategy), Phase 2 will face a **\$5.7 million (+87%)** DCC impact.

A sudden eight-figure financial shock is a project-ending scenario. As the City's commissioned economic feasibility study by Coriolis Consulting explicitly noted: *"the development market is currently challenging with existing DCC rates, and it would be more financially challenging to build the variety of forms under increases to the current DCC rates"*.

## **The Density Bonus Disconnect**

The financial modeling presented to Council assumes that the transition to the new ACC structure will bring some offsetting relief. However, Beedie has already negotiated our bonus density and CAC payments for this masterplan project. As a result, the project is exposed to the City DCC fee hikes without receiving any counteracting benefit from reduced or restructured ACCs. If these rates are adopted, we will be forced to re-negotiate our existing development agreements and fee structures with the City in order to restore any semblance of financial feasibility the project which will also delay housing starts and result in a reduced bonus density value.

## **Compounding Regional Fees and the Threat to Moody Centre**

The City's proposed rate hikes are not occurring in a vacuum. Metro Vancouver's scheduled GVS&DD (Metro Vancouver) fee increases are already placing immense strain on regional projects. Compounding those regional hikes with Port Moody's proposed Option 5 risks halting development in this municipality.

If our project is forced into indefinite suspension due to these compounded fees, the consequences for the community will be immediate. Beyond the housing to be delivered, our project also includes an anchor commercial tenant, crucial childcare facilities, and a large component of the on-site community plaza. The delay of these civic and commercial assets will stall the broader build-out of Moody Centre and effectively undo the hard work and collaboration shared by this Council and City staff over the past four years.

## **Misalignment with Regional and Provincial Directives**

Port Moody's proposal to drastically increase fees runs counter to the urgent actions currently being taken by neighboring municipalities and the provincial government to save the housing sector.

- **City of Vancouver:** Recognizing the severe threat to project viability, Vancouver City Council recently approved a sweeping rescue plan that includes a temporary 20% reduction to city-wide Development Cost Levies (DCLs). Furthermore, Vancouver permanently cancelled its planned inflationary fee adjustments for 2024 and 2025 to give builders financial predictability. Vancouver understands that extracting more revenue from stalled projects yields zero dollars; lowering and freezing fees is required to keep shovels in the ground.
- **Provincial Action on Upfront Costs:** The Province of B.C. recently stepped in to protect developers from Metro Vancouver Regional District fee hikes, and introduced

regulatory changes (effective January 2026) allowing builders to defer 75% of DCC and ACC payments until occupancy to ease early-stage financing costs.

- **Federal Funding Risks:** Senior government infrastructure funding, such as the federal Build Communities Strong Fund, requires municipalities to substantially reduce development charges to be eligible for cost-matching. By pushing a massive fee increase, Port Moody risks isolating itself regionally and actively jeopardizing its eligibility for senior government infrastructure subsidies.

### **Sacrificing Affordable Housing for Parkland**

We must also highlight a glaring policy contradiction outlined in the staff report. The report plainly admits that in the foreseeable market, even the reduced Parkland Acquisition Options (5 and 6) will strip projects of the profitability required to deliver the City's objective of 15% Inclusionary Zoning. Council is being asked to heavily tax market housing to fund parkland acquisition at the direct expense of delivering affordable housing. If this policy were to be adopted, the bonus density and non market housing commitments would need to be revisited.

### **Flawed Process and Cumulative Impact**

The City is aiming to adopt an unprecedented suite of major policy changes—including ACCs, DCCs, Inclusionary Zoning, and Density Bonus updates—by June 30, 2026. This aggressive timeline has not afforded City staff or the development industry enough time to properly evaluate the holistic, compounding financial impacts of these combined initiatives. Rushing this multitude of new cost layers through without a comprehensive understanding of their combined effect is a fundamentally flawed process that will inevitably lead to widespread project unviability across Port Moody.

To address these procedural and financial risks, we strongly recommend the City take the following steps:

- **Pause the Introduction of New Cost Layers:** The absolute priority in this dire economic climate must be stabilizing the development environment. The City must pause the rollout of these combined policies to prevent stalling in-stream housing delivery.
- **Conduct a Robust Cumulative Analysis:** It is imperative that the City undertakes a holistic financial analysis that tests all these policies together against current market realities. This testing must ensure that projected revenues are not overstated and that actual construction and financing costs are not understated.

- **Engage in Meaningful Industry Consultation:** Before any of these bylaws are brought forward for readings, the City must engage directly and transparently with the development industry to review and align on the financial assumptions informing these policies.
- **Implement Comprehensive In-Stream Protection:** If the City wishes to explore these fee increases, it is critical that in-stream projects, where substantial investments have already been made, are fully protected. Applying fee increases retroactively to approved or advancing projects is fundamentally unfair. These projects have already undergone years of rigorous review, including detailed financial analysis, and were advanced based on a defined cost structure. Changing that framework after the fact risks rendering them unviable. At a minimum, projects that have submitted rezoning applications should be exempt from any fee increases for the full duration of the project, including all phases of a master-planned development.

Beedie Living remains deeply invested in our partnership with the City of Port Moody and our shared vision for a vibrant Moody Centre. However, delivering on this promise relies on a financial framework that sustains project viability. We strongly urge Council to reject Option 5, engage directly with the development industry on the underlying financial assumptions, and adopt a more balanced, market-aligned approach to any fee increases. By ensuring new policies do not actively restrict development, we can continue working together to bring much-needed housing, civic amenities, and economic growth to the community.

Sincerely,

FIPPA s. 22 Personal Privacy

Curtis Neeser,

Executive Vice President Residential Development, Beedie Living

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