



**AGENDA FOR THE REGULAR MEETING OF COUNCIL,
IN THE CAO MEETING ROOM, CITY HALL,
141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON
MONDAY, APRIL 27, 2020 AT 6:00 PM**

“Live” Broadcast via City Website www.cnv.org/LiveStreaming
Complete Agenda Package available at www.cnv.org/CouncilMeetings

CALL TO ORDER

APPROVAL OF AGENDA

1. Regular Council Meeting Agenda, April 27, 2020

ADOPTION OF MINUTES

2. Regular Council Meeting Minutes, April 20, 2020

PROCLAMATIONS

Day of Mourning – April 28, 2020

Youth Week – May 1-7, 2020

REPORT

3. 2020–2029 Financial Plan Bylaw

Items 4 and 5 refer.

BYLAW – FIRST, SECOND AND THIRD READINGS

4. “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771”

BYLAW – ADOPTION

5. “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771”

PRESENTATION

2020 Property Tax Increase Distribution Options – Director, Finance

Item 6 refers.

REPORTS

6. 2020 Property Tax Increase Distribution Options
7. Funding Reallocation – 115 West Esplanade Community Amenity Space
8. COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process

NOTICES OF MOTION

9. City of North Vancouver and School District No. 44 – Collaborative Working Relationship – Mayor Buchanan
10. COVID-19 Provincial Action in Support of Homeowners – Expansion of Property Tax Deferment Program – Councillor Valente

Background Information, April 14, 2020

COUNCIL REPORT

COUNCIL INQUIRIES

NEW ITEMS OF BUSINESS

NOTICES OF MOTION

ADJOURN

CALL TO ORDER

APPROVAL OF AGENDA

1. Regular Council Meeting Agenda, April 27, 2020

ADOPTION OF MINUTES

2. Regular Council Meeting Minutes, April 20, 2020

PROCLAMATIONS

Day of Mourning – April 28, 2020

Youth Week – May 1-7, 2020

REPORT

3. 2020–2029 Financial Plan Bylaw – File: 05-1700-03-0001/2020

Report: Director, Finance, April 21, 2020

RECOMMENDATION:

PURSUANT to the report of the Director, Finance, dated April 21, 2020, entitled “2020–2029 Financial Plan Bylaw”:

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be considered.

Items 4 and 5 refer.

BYLAW – FIRST, SECOND AND THIRD READINGS

4. “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771”

RECOMMENDATION:

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be given first, second and third readings.

BYLAW – ADOPTION

5. “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771”

RECOMMENDATION:

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be adopted, signed by the Mayor and City Clerk and affixed with the corporate seal.

PRESENTATION

2020 Property Tax Increase Distribution Options – Director, Finance

Item 6 refers.

REPORTS

6. 2020 Property Tax Increase Distribution Options – File: 05-1970-05-0005/2020

Report: Director, Finance, April 21, 2020

RECOMMENDATION:

PURSUANT to the report of the Director, Finance, dated April 21, 2020, entitled “2020 Property Tax Increase Distribution Options”:

THAT 2020 Property Tax Increase Option 2 (2% shift from Business to Residential Class) be endorsed;

AND THAT staff bring forward a Tax Rate Bylaw (2020) for adoption before May 15, 2020, in accordance with the *Community Charter*.

7. Funding Reallocation – 115 West Esplanade Community Amenity Space
– File: 02-0800-30-0001/1

Report: Deputy Director, Strategic and Corporate Services, April 14, 2020

RECOMMENDATION:

PURSUANT to the report of the Deputy Director, Strategic and Corporate Services, dated April 14, 2020, entitled “Funding Reallocation – 115 West Esplanade Community Amenity Space”:

THAT \$124,000 of existing funding, approved from the General Reserve Fund for 2020 Civic Centre Improvements, be reallocated to fund property tax and strata fees for the Community Amenity Space at 115 West Esplanade.

8. COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process – File: 13-6630-01-0001/2020

Report: Director, Planning and Development, and Corporate Officer,
April 21, 2020

RECOMMENDATION:

PURSUANT to the report of the Director, Planning and Development, and the Corporate Officer, dated April 21, 2020, entitled “COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process”:

Continued...

REPORTS – Continued

8. COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process – File: 13-6630-01-0001/2020 – Continued

THAT staff be directed to bring forward minor development applications for Council consideration and seek direction to waive public hearings and public meetings (Option A);

THAT the hiatus on public consultation for larger development applications be maintained for a further 30-day period (Option A);

AND THAT staff be directed to develop and implement alternative methods of gathering public feedback on development applications.

NOTICES OF MOTION

9. City of North Vancouver and School District No. 44 – Collaborative Working Relationship – File: 01-0400-80-0001/2020

Submitted by Mayor Buchanan

RECOMMENDATION:

WHEREAS the City of North Vancouver and School District No. 44 have a good history of cooperative effort and planning to create the best potential for success;

WHEREAS the City of North Vancouver, through its policies, has retained and attracted families with school age children to the City;

WHEREAS School District No. 44 schools within the City of North Vancouver are near or at capacity and the updated Long Range Facilities Plan (2018) names 6 City schools for expansion or replacement;

AND WHEREAS City school sites play an important role within neighbourhoods beyond the public school use for a variety of formal and informal uses;

THEREFORE BE IT RESOLVED that the City of North Vancouver and School District No. 44 continue to work together more formally through annual meetings of City Council and the Board of Education;

AND FURTHER THAT staff be directed, through a formal working committee reporting to these governing bodies, to consider and develop options which may include other related partnerships that benefit the children, families and community of the City of North Vancouver.

NOTICES OF MOTION – Continued

10. COVID-19 Provincial Action in Support of Homeowners – Expansion of Property Tax Deferment Program – File: 05-1970-06-0001/2020

Submitted by Councillor Valente

RECOMMENDATION:

WHEREAS COVID-19 is impacting the economic well-being of all City of North Vancouver and Metro Vancouver residents, who have already faced an ongoing housing affordability crisis for more than a decade that has created substantial financial pressure;

WHEREAS Mayor Buchanan and Metro Vancouver Mayors have sent a letter in which they called for expansion of the existing Provincial Property Tax Deferment Program;

WHEREAS the federal and provincial governments have advanced multiple programs intended to support businesses and renters, homeowner specific supports are needed;

WHEREAS many homeowners, including those in strata buildings, in the City of North Vancouver, face accelerating insurance rates and increasing costs to maintain their homes, which are an important part of a healthy housing mix;

AND WHEREAS the Province has a model program already in existence that allows the deferral of property tax (BC Property Tax Deferment Program / Families with Children Property Tax Deferment Program) that offers a low interest deferment program for qualifying British Columbia homeowners who are aged 55 or older, surviving spouses, persons with disabilities or those supporting dependent children under age 18, for assistance in paying the annual property taxes on their homes;

THEREFORE BE IT RESOLVED THAT Council call on other British Columbia local governments, UBCM, LMLGA and the Province of BC to act swiftly and decisively to expand the Property Tax Deferment Program to all British Columbians requiring assistance for the 2020 taxation year and that this motion be forwarded to all local MLAs and MPs.

Background Information, April 14, 2020

COUNCIL REPORT

Each Council member is permitted 5 minutes to report on their activities.

COUNCIL INQUIRIES

NEW ITEMS OF BUSINESS

NOTICES OF MOTION

ADJOURN

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MINUTES OF THE REGULAR MEETING OF COUNCIL, HELD IN THE CAO MEETING ROOM, CITY HALL, 141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON **MONDAY, APRIL 20, 2020**

PRESENT

COUNCIL MEMBERS

Mayor L. Buchanan
Councillor H. Back*
Councillor D. Bell*
Councillor A. Girard*
Councillor T. Hu*
Councillor J. McIlroy*
Councillor T. Valente*

**Participated electronically*

STAFF MEMBERS

L. McCarthy, CAO*
K. Graham, City Clerk
C. Baird, Deputy City Clerk
H. Granger, City Solicitor*
B. Themens, Director, Finance*
B. Pearce, Director, Strategic and Corporate Services*
M. Epp, Director, Planning and Development*
R. Skene, Director, Community and Partner Engagement*
D. Pope, Director, Engineering, Parks and Environment*
G. Schalk, Fire Chief*

The meeting was called to order at 6:00 pm.

Mayor Buchanan provided a verbal presentation regarding COVID-19.

APPROVAL OF AGENDA

Moved by Councillor Bell, seconded by Councillor Back

1. Regular Council Meeting Agenda, April 20, 2020

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

Moved by Councillor Bell, seconded by Councillor Valente

2. Regular Council Meeting Minutes, March 30, 2020

CARRIED UNANIMOUSLY

CONSENT AGENDA

Item *3 is listed in the Consent Agenda for consideration.

Moved by Councillor Bell, seconded by Councillor Valente

THAT the recommendation listed within the "Consent Agenda" be approved.

CARRIED UNANIMOUSLY

CONSENT AGENDA – Continued

START OF CONSENT AGENDA

CORRESPONDENCE

- *3. Board in Brief, Metro Vancouver Regional District, March 27, 2020
– File: 01-0400-60-0006/2020

Re: Metro Vancouver – Board in Brief

Moved by Councillor Bell, seconded by Councillor Valente

THAT the correspondence from Metro Vancouver, dated March 27, 2020, regarding the “Metro Vancouver – Board in Brief”, be received and filed.

(CARRIED UNANIMOUSLY)

END OF CONSENT AGENDA

PRESENTATIONS

COVID-19 Updates

City of North Vancouver Coordination – Director, Strategic and Corporate Services

The Director, Strategic and Corporate Services provided a PowerPoint presentation regarding the “CNV Coordination” and responded to questions of Council.

North Shore Emergency Operations Centre (Regional Response) – Fire Chief

The Fire Chief provided a PowerPoint presentation regarding the “North Shore Emergency Operations Centre (Regional Response)” and responded to questions of Council.

Scenario Planning and Impact Assessment – Director, Planning and Development

The Director, Planning and Development provided a PowerPoint presentation regarding the “Scenario Planning and Impact Assessment” and responded to questions of Council.

Financial Plan

2020 Financial Plan – Director, Finance

The Director, Finance provided a PowerPoint presentation regarding the “2020 Financial Plan” and responded to questions of Council.

REPORT

4. 2020 Financial Plan – File: 05-1700-01-0001/2020

Report: Director, Finance, April 14, 2020

Moved by Mayor Buchanan, seconded by Councillor Valente

PURSUANT to the report of the Director, Finance, dated April 14, 2020, entitled “2020 Financial Plan”:

THAT staff bring forward a Financial Plan Bylaw (2020 to 2029) that reflects an overall tax rate increase of 2.00%, which includes 2.00% for the Program Plan (operating), 0% for Infrastructure Reserves and 0% for New Items;

AND THAT staff be directed to contact the City’s core-funded agencies regarding their annual budgets to confirm if funds are allocated for 2020 service programming or COVID-19 related activities and report back to Council.

CARRIED UNANIMOUSLY

COUNCIL INQUIRIES

5. Public Input Period – File: 01-0220-01-0001/2020

Inquiry by Councillor Valente

Councillor Valente inquired of Mayor Buchanan regarding providing an opportunity for the public to support public input at virtual Council meetings, such as video or audio recordings.

Mayor Buchanan advised that staff will look into the matter and report back to Council.

NEW ITEMS OF BUSINESS

Nil.

NOTICES OF MOTION

Councillor Valente submitted a Notice of Motion to the City Clerk regarding COVID-19 Provincial Action in Support of Homeowners – Expansion of Property Tax Deferment Program.

CITY CLERK’S RECOMMENDATION

Moved by Councillor Bell, seconded by Councillor Valente

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the *Community Charter*, Section 90(1)(e) [land matter].

CARRIED UNANIMOUSLY

The meeting recessed to the Committee of the Whole, Closed session, at 8:57 pm and reconvened at 9:27 pm.

REPORT OF THE COMMITTEE OF THE WHOLE (CLOSED SESSION)

6. Land Matter – File: 02-0870-01-0001/2020

Report: Director, Community and Partner Engagement, April 7, 2020

Moved by Councillor Valente, seconded by Councillor Girard

PURSUANT to the report of the Director, Community and Partner Engagement, dated April 7, 2020, regarding a land matter:

THAT the action taken by the Committee of the Whole, Closed Session, be ratified;

AND THAT the wording of the recommendation and the report of the Director, Community and Partner Engagement, dated April 7, 2020, remain in the Closed session.

CARRIED UNANIMOUSLY

ADJOURN

Moved by Councillor Bell, seconded by Councillor Back

THAT the meeting adjourn.

CARRIED UNANIMOUSLY

The meeting adjourned at 9:28 pm.

“Certified Correct by the City Clerk”

CITY CLERK



Office of the Mayor
CITY OF NORTH VANCOUVER
BRITISH COLUMBIA

Proclamation

DAY OF MOURNING

- WHEREAS** the Day of Mourning honours the memory of those who have lost their lives, been injured or suffered from work related incidents or disease;
- WHEREAS** in British Columbia alone, 140 workers lost their lives in 2019 as a result of workplace injury and occupational disease, the prevention of which can only be achieved by collectively focusing our efforts on creating safe and healthy workplaces;
- AND WHEREAS** the Day of Mourning provides an opportunity to raise public awareness of occupational health and safety and to remind our community to recommit to safety in the workplace;
- NOW THEREFORE** I, Linda Buchanan, Mayor of the City of North Vancouver, do hereby proclaim **April 28, 2020** as **DAY OF MOURNING** in the City of North Vancouver, the traditional territories of the Squamish and Tsleil-Waututh Nations.

So proclaimed on Monday, April 27, 2020

Mayor Linda Buchanan



Office of the Mayor
CITY OF NORTH VANCOUVER
BRITISH COLUMBIA

Proclamation

YOUTH WEEK

- WHEREAS** youth in the City of North Vancouver are valued members of our community who, through their energy, involvement and enthusiasm, contribute to the well-being of our city;
- WHEREAS** the promotion of youth activities sponsored by all segments of the community will encourage a greater understanding and acceptance of youth issues, accomplishments and diversity;
- AND WHEREAS** the celebration of youth in the City of North Vancouver and other Lower Mainland municipalities during Youth Week will encourage youth participation in positive activities and further strengthen our community;
- NOW THEREFORE** I, Linda Buchanan, Mayor of the City of North Vancouver, do hereby proclaim **May 1 – 7, 2020** as **YOUTH WEEK** in the City of North Vancouver, the traditional territories of the Squamish and Tsleil-Waututh Nations.

So proclaimed on Monday, April 27, 2020

Mayor Linda Buchanan



The Corporation of **THE CITY OF NORTH VANCOUVER**
FINANCE DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director of Finance

Subject: 2020 – 2029 FINANCIAL PLAN BYLAW

Date: April 21, 2020 File No: 05-1700-03-0001/2020

The following is a suggested recommendation only. Please refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Director of Finance, dated April 21, 2020, entitled “2020 – 2029 Financial Plan Bylaw”:

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be brought forward for consideration by Council.

ATTACHMENTS

1. Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771 (CityDocs #[1892964](#))

SUMMARY

The purpose of this report is to seek Council approval for the 2020 – 2029 Financial Plan Bylaw.

BACKGROUND

The Community Charter requires the preparation and adoption of a Financial Plan covering at least five years, including both operating and capital items, prior to May 15 each year. For many years, the City has exceeded this requirement by producing a ten-year plan.

As well, it is a requirement that Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. During the City's 2020 Financial Plan process, staff reports have been made available on the City's website and the opportunity to provide public input online and at Council Meetings has been provided.

DISCUSSION

The Financial Plan Bylaw presented for endorsement reflects the 2.0% tax rate increase approved by Council at the April 20, 2020, Regular Meeting. The plan includes early adjustments related to COVID-19, provides sufficient funding for general operations and maintains property tax supported capital funding at 2019 levels. As well, the Financial Plan Bylaw incorporates the approved 2020 – 2029 Utility Operations and Rates Models, and the 2020 – 2029 Project Plan.

It is anticipated that in the coming months, as the impact of COVID-19 on City finances is more clearly understood, that adjustments, through the adoption by Council of revised financial plan(s), will be required.

Schedule A to bylaw no. 8771 (**Attachment 1**) is a financial summary of the combined plans, over ten years. The scale of certainty is reduced in the later years, where the final five years are shown in one column.

Revenues indicate the major sources of funding; Property Value Tax (including Storm and Eco Levies), Fees & Services, Other and Transfers. The Transfers section includes the following:

- Collections for Other Governments are taxes collected on behalf of other governments and agencies including Provincial Schools, BC Assessment, Metro Vancouver (GVRD), and TransLink.
- Transfer from Reserves includes both operating and capital reserves. The operating reserves are used to fund unexpected or emergency expenditures or are set aside for specific known future liabilities. The capital reserves are used to fund the Project Plan.
- Proceeds from debt is the anticipated future debt arrangement required for the HJCRC replacement project to provide bridge funding pending the receipt of lease payments.
- External Contributions are included where grants and other partner revenues are expected as well as a provision for external funding that may become available during the year.
- Transfer from Capital Assets is a transfer from equity in capital assets and is to offset the recognition of depreciation expense.

Expenditures are laid out in three categories:

Operating Expenditures are displayed by functional area and the expenses include annual operations, as well as non-capital projects, and depreciation.

Capital represents the value of both general and utility capital projects included in the plan.

Transfers show:

- Collections for Other Governments which is the outgoing payment of the taxes collected on behalf of other governments.

- Equity which represents amounts planned to be transferred to non-statutory reserves as well as amounts, such as the Weather Reserve, for use in the operations of the city for unexpected, emergency or planned expenses.
- Reserves indicates the planned transfer of funds from operating to the City's statutory and capital reserves primarily to fund capital infrastructure and amenities.
- Repayment of Debt is the repayment of the bridge financing for the HJCRC renewal project.

As required by the Province, the Financial Plan Bylaw also contains revenue and tax policy statements addressing the following issues:

1. Revenue Proportions by Funding Source
2. Distribution of Property Taxes among the Property Classes
3. Use of Permissive Tax Exemptions

FINANCIAL IMPLICATIONS

Financial implications have been addressed in detail during the 2020 – 2029 Financial Planning process which included separate discussions on utility rate setting (water, sewer, solid waste, etc.), 2020 Program Plan (operating), and the 2020 – 2029 Project Plan (capital).

INTER-DEPARTMENTAL IMPLICATIONS:

The 2020-2029 Financial Plan Bylaw is a reflection of the policies of the City, and the work plans of all City departments. In developing this budget, Finance staff rely on their close working relationship with staff in other departments and the City's shared-cost agencies.

2020 will be a challenging year for the City, and the challenges facing the City are impacted in the City's budget process, requiring reconsideration of all that we do. Finance wishes to thank all the members of staff who are contributing so much of their time and effort to provide leadership and cooperation to this ongoing process.

CORPORATE PLAN AND/OR POLICY IMPLICATIONS:

The preparation and approval of a Financial Plan Bylaw is consistent with the requirements of the Community Charter, with the 2020 Financial Plan Objectives, with several of the objectives of the City's 2014 Official Community Plan and was prepared with consideration of the 2018-2022 Council Strategic Plan.

RESPECTFULLY SUBMITTED:



Ben Themens
Director of Finance

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8771

Financial Plan for the Years 2020 to 2029

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771**”.
2. Schedule “A” attached hereto is the Financial Plan of The Corporation of the City of North Vancouver for the period commencing January 1, 2020, and ending December 31, 2029.

READ a first time on the <> day of <>, 2020.

READ a second time on the <> day of <>, 2020.

READ a third time on the <> day of <>, 2020.

ADOPTED on the <> day of <>, 2020.

MAYOR

CITY CLERK

**SCHEDULE "A" TO BYLAW NO. 8771
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2020 – 2029**

(1) 2020 – 2029 Financial Plan (000's)

For the year ended December 31	2020	2021	2022	2023	2024	2025-2029
Revenue						
Property Value Tax						
General Property Tax	65,700	67,695	69,746	71,851	74,015	381,185
Levies (Storm and Eco)	3,530	3,994	4,147	4,305	4,470	24,753
Revenue from Fees and Services	36,616	38,177	40,290	42,785	45,608	263,910
Revenue from Other Sources	3,608	3,496	3,531	3,566	3,602	18,190
	109,454	113,362	117,714	122,507	127,695	688,038
Transfers						
Collections for Other Governments	56,071	57,192	58,336	59,503	60,693	309,535
Transfer from Reserves	72,751	112,587	55,951	52,158	124,417	155,558
Proceeds from Debt	0	90,000	0	0	0	0
External Contributions	19,148	6,892	4,921	17,200	2,855	7,618
Transfer from Capital Assets	15,700	16,014	16,334	16,661	16,994	86,670
	163,670	282,685	135,542	145,522	204,959	559,381
Total Revenues	273,124	396,047	253,256	268,029	332,654	1,247,419
Expenditures						
Operating Expenses						
General Government	20,815	21,335	21,868	22,415	22,975	117,745
Transportation and Transit	6,874	7,046	7,222	7,403	7,588	38,890
Health, Social Services, Housing	3,057	3,133	3,211	3,291	3,373	17,285
Development Services	6,143	6,297	6,454	6,615	6,780	34,750
Protective Services	28,519	29,232	29,963	30,712	31,480	161,335
Parks, Recreation and Culture	21,573	22,112	22,665	23,232	23,813	122,040
Water	10,516	14,712	15,904	17,501	18,402	104,057
Sewer	10,177	14,580	16,546	18,071	20,135	114,941
Solid Waste	3,856	3,354	3,448	3,545	3,645	19,827
	111,530	121,801	127,281	132,785	138,191	730,870
Capital Expenditures	83,934	202,134	53,393	61,705	25,861	126,641
Transfers						
Collections for Other Governments	56,071	57,192	58,336	59,503	60,693	309,535
Equity	8,975	9,085	9,312	9,545	9,784	50,145
Reserves	12,614	5,835	4,934	4,491	8,125	30,228
Repayment of Debt					90,000	
	77,660	72,112	72,582	73,539	168,602	389,908
Total Expenses	273,124	396,047	253,256	268,029	332,654	1,247,419

**SCHEDULE "A" TO BYLAW NO. 8771
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2020 – 2029**

(2) Revenue Proportions by Funding Source

(Excluding Transfers from Reserves and Collections for Other Agencies)

	(000's)									
	2020	%	2021	%	2022	%	2023	%	2024	%
Property Value Tax										
General Property Tax	65,700	60	67,695	60	69,746	59	71,851	59	74,015	58
Levies (Storm and Eco)	3,530	3	3,994	3	4,147	4	4,305	3	4,470	3
Revenue from Fees	36,616	34	38,177	34	40,290	34	42,785	35	45,608	36
Revenue from other Sources	3,608	3	3,496	3	3,531	3	3,566	3	3,602	3
Total Revenues	109,454	100	113,362	100	117,714	100	122,507	100	127,695	100

Background: Property Taxes are the City's major source of revenue. The City's reliance on property tax as a source of revenue has increased gradually over the past several years. This is partially due to the lack of access to other types of revenues. Where feasible, the City charges user fees for services, however this is not possible for many services. In preparing the 2019 Financial Plan, the City's goal has been to maintain the current percentage of revenue coming from property taxes; however the City continues to rely heavily on this source of revenue to fund a large portion of City services and infrastructure.

Policy: Under Council's direction, the City will continue to look for ways to reduce the overall percentage of revenue that comes from property tax, by pursuing alternate revenue sources, and remains committed to charging user fees for services where feasible.

(3) Distribution of Property Taxes among the Property Classes

Property Class and Description		Tax Allocation %	
		2019	2020
1	Residential	56.28%	56.36%
2	Utilities	0.54%	0.49%
4	Major Industry - Capped	8.64%	9.90%
4	Major Industry - Non capped	0.67%	0.62%
5	Light Industry	0.88%	0.91%
6	Business	32.95%	31.68%
8	Recreation/Non-Profit	0.04%	0.04%

Background: In 2008 City Council adopted a Long Term Property Tax Strategy which will shift taxes from the business and light industrial tax classes, to the residential tax class. The goal of this policy was to move the City's tax rates and tax rate multiples to a competitive position within the Metro Vancouver Region, while maintaining principles of fairness and equity.

Policy: The City will continue to review the distribution of property tax among the various property classes and consider other measures as a gauge of success.

**SCHEDULE “A” TO BYLAW NO. 8771
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2020 – 2029**

(4) Use of Permissive Tax Exemptions

Background: Council currently allows permissive tax exemptions to organizations within the City, based on eligibility criteria as defined under the Community Charter. This includes religious institutions, providers of social housing, not for profit societies and service organizations whose services and programs align with the City’s goals and objectives.

Policy: The City has adopted a policy along with a set of criteria which are based on linking taxation exemptions to desired community outcomes for the services provided. All existing permissive tax exemptions are reviewed each year and staff will continue to work with all organizations who receive a Permissive Tax Exemption to ensure that their services align with the goals and objectives of the City.

Council will continue to carefully consider the total amount of permissive exemptions granted each year, when reviewing the annual Property Tax Exemption bylaw, giving consideration to the equity of shifting the exempted tax burden to other property owners in the City.

2020 Property Tax Increase Distribution Options

Presented April 27, 2020
Finance



2020 Property Tax Increase Distribution Options

- Property Tax Calculation Standard Methodology

- Calculate the base rate for each class

- Rate required to generate the same revenue from the same pool of properties as previous year.
- Adjusts the rate for market changes in assessed values.
- Calculation:

2019			2020			
A	B	C= A / 1,000 x B	D	E	F=D-E	G= C/ F x 1,000
Assessed Value	Tax Rate	Tax Levy	Assessed Value	Growth	Value W/O Growth	Tax Rate
22,129,661,631	1.61185	35,669,695	20,835,341,233	368,265,202	20,467,076,031	1.74278

2020 Property Tax Increase Distribution Options

2. Apply the base rate to “growth”
 - Determines the taxes available from the assessed value new to the roll.
 - Becomes a source of funds for the Financial Plan
3. Recommended rate presented to Council
 - Approved tax rate increase (e.g. 2%) is used to adjust the base rates.
4. Optional step of tax shifting
 - Shifting of some or all of the tax rate increase between classes.

2020 Property Tax Increase Distribution Options

- LONG TERM PROPERTY TAX STRATEGY (LTPTS)
 - To address some of the inequities in the standard methodology the City undertook a review of LTPTS during 2007.
 - A committee was formed which included members of the public, business owners, residential owners and staff from the City.

2020 Property Tax Increase Distribution Options

- LONG TERM PROPERTY TAX STRATEGY (LTPTS)
 - Strategies Recommended by the Committee and Adopted by Council included:
 1. Equalization of light industry and business tax rates – achieved in 2009.
 2. Reduction of Business to Residential Property Tax Ratio (ratio of City's business tax rate to its residential rate) over a ten year period, to be at or below the median for the region.

2020 Property Tax Increase Distribution Options

Average Business Taxes - 2019			
Tax Ratio			
Municipality	Business Class Tax Rate (Mill Rate)	Residential Class Tax Rate (Mill Rate)	Ratio of Business to Residential Class
New Westminster	9.46	2.45	3.86
Coquitlam	7.27	1.98	3.67
Burnaby	5.35	1.51	3.54
Port Coquitlam	7.90	2.36	3.35
Vancouver	4.27	1.34	3.20
City of North Vancouver	5.03	1.61	3.12
Surrey	5.46	1.76	3.11
Delta	7.13	2.34	3.04
District of North Vancouver	4.63	1.66	2.79
Richmond	4.27	1.55	2.76
West Vancouver	2.92	1.41	2.07
Median	5.35	1.66	3.12

2020 Property Tax Increase Distribution Options

- Option 1
 - Across the Board – apply the approved 2% tax rate increase evenly across all classes
- Option 2 (Recommended)
 - Shift the 2% Tax Rate Increase – from business class to residential

2020 Property Tax Increase Distribution Options

Option 1 – Straight Across the Board Tax Rate Increase				
	2019	2020	\$ Change	% Change
Residential Property Class				
Average Residential Class	1,947	1,986	39	2.0%
Average Single Dwelling Unit	2,611	2,596	(15)	-0.6%
Average Multi Dwelling Unit	1,250	1,279	29	2.3%
Business Property Class				
Average Small Business	5,596	5,708	112	2.0%
Average Medium Business	11,192	11,416	224	2.0%
Average Large Business	223,833	228,312	4,479	2.0%

2020 Property Tax Increase Distribution Options

Option 2 – Tax Shift (Residential – 3.2% & Business – 0%)

	2019	2020	\$ Change	% Change
Residential Property Class				
Average Residential Class	1,947	2,009	62	3.2%
Average Single Dwelling Unit	2,611	2,625	14	0.5%
Average Multi Dwelling Unit	1,250	1,293	43	3.4%
Business Property Class				
Average Small Business	5,596	5,596	-	0.0%
Average Medium Business	11,192	11,192	-	0.0%
Average Large Business	223,833	223,833	-	0.0%


2020 Property Tax Increase Distribution Options

Option 1 vs Option 2

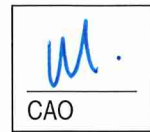
	Option 1 – 2020	Option 2 – 2020	\$ Change
Residential Property Class			
Average Residential Class	1,986	2,009	23
Average Single Dwelling Unit	2,596	2,625	29
Average Multi Dwelling Unit	1,279	1,293	14
Business Property Class			
Average Small Business	5,708	5,596	(112)
Average Medium Business	11,416	11,192	(224)
Average Large Business	228,312	223,833	(4,479)
Business/Residential Ratio	2.82	2.73	-0.09



Thank you.



11



The Corporation of **THE CITY OF NORTH VANCOUVER**
FINANCE DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director, Finance

Subject: 2020 PROPERTY TAX INCREASE DISTRIBUTION OPTIONS

Date: April 21, 2020 File No: 05-1970-05-0005/2020

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Director, Finance, dated April 21, 2020, entitled "2020 Property Tax Increase Distribution Options":

THAT 2020 Property Tax Increase Option 2 (2% shift from Business to Residential Class) be endorsed;

AND THAT staff bring forward a Tax Rate Bylaw (2020) that must be adopted before May 15, 2020, in accordance with the *Community Charter*.

ATTACHMENTS

1. Option 1 – 2% Across the Board Tax Impact (City Docs #1903639)
2. Option 2 – 2% Tax Shift from Business to Residential Impact (City Docs #1903641)
3. Report of the Director of Finance, dated March 2, 2020, entitled "Tax Relief for Small Businesses, Non-profits, Arts and Culture Groups" (City Docs #1895902)
4. Letter to Hon. Premier John Horgan and Hon. Minister Selina Robinson entitled "Local Government Collaboration and Support with Provincial Government" dated March 23, 2020 (City Docs #1905352)

BACKGROUND

The purpose of this report is to discuss the distribution of the City's 2020 tax rate increase among property classes.

The Community Charter requires the preparation and adoption of a Tax Rates Bylaw, after adoption of a financial plan but before May 15 each year. The property tax rates are set each year to enable the City to collect the tax levy that is required in the Financial Plan. During the 2020 financial planning process, Council approved an overall 2.0% tax rate increase.

DISCUSSION

How Property Taxes Are Calculated

The City uses a standard, four-step property tax calculation methodology to calculate the property tax rate (referred to as the conventional method throughout this report).

1. The first step is to calculate the base tax rate for each class. The base tax rate is the tax rate required to collect the same tax dollars from the same pool of properties as the prior year. This process adjusts the tax rate for market fluctuations. For instance, if the assessed values rise then the tax rate to collect the same level of taxes decreases accordingly.
2. The City then applies the base tax rate to the 'growth' component of the roll to determine the taxes available from the assessed value new to the roll. This estimate then becomes a source of funds in reconciling the City's Financial Plan for the year.
3. The recommended Plan is then presented to Council, with explanations and options for any recommended tax increases. Once Council has approved any increase to the City's budget, this approved increase is then used to adjust the tax rates.
4. A final, optional step is consideration of tax shifting – the City's Long Term Property Tax Strategy is to shift taxes away from the Business Class. Options in this regard may be presented to Council, and if a shifting option is adopted, rates are adjusted to reflect this.

An example of this series of steps would be the calculation of the 2020 tax rate for the Residential Class

2019			2020			
A	B	C= A /1,000 x B	D	E	F=D-E	G= C/ F x 1,000
Assessed Value	Tax Rate	Tax Levy	Assessed Value	Growth	Value W/O Growth	Tax Rate
22,129,661,631	1.61185	35,669,695	20,835,341,233	368,265,202	20,467,076,031	1.74278

Assuming no tax increase, the above calculations illustrate how the 2020 Residential Class tax rate increased from 1.61185 to 1.74278 to account for the market decrease in assessed values. Under the conventional method and assuming all other variables constant, a rate increase of 2.0% would be applied to this new rate and the tax rate for the Residential class would be about 1.77764 per \$1,000 of assessment in 2020. The approved 2.0% increase to property tax rates will increase revenue by an estimated \$3.1 million, including growth, as required in the 2020 – 2029 Financial Plan. Should tax

shifting be considered, the approved increase would be allocated differently between the residential and non-residential classes, as demonstrated in the Property Tax Distribution Options section below.

Tax Shifting Within the Residential Class

Even if there were no tax increase, the amount of taxes paid by each property would usually change as a result of the change in the assessed value of a property. That is, properties with assessment increases in excess of the average increase of the property class would see their tax bill increase while properties with an assessment increase lower than the average would see a reduction of the amount of tax owed.

The average 2020 assessment decrease of the Residential Class is 7.5%. On average single dwelling unit assessments decreased to \$1.46 million from \$1.62 million or 9.9% and multi dwelling unit average assessments decreased 7.3% from \$776K to \$719K. Because of this difference, there will be shift of the amount of tax owed from the average single dwelling unit to average multi dwelling unit. If there was no annual tax increase, the average multi dwelling unit taxpayer should see an increase of their tax invoice, while, on average, single dwelling unit will see a reduction of the amount of taxes owed. This explains the differences in average tax rate increases (decreases) of both types of residential property in the analysis contained in the following sections of the report.

It is important to note that such shifts are the result of market fluctuations. The following table summarizes the shifts over the past five years.

City of North Vancouver
Comparison of Average Tax and Utility Increases
Between Single and Multi-Residential Units

Year	Single Detached	% Increase	Multi-Unit (Strata)	% Increase
2015	\$3,401	6.1%	\$1,584	2.3%
2016	\$3,684	8.3%	\$1,589	0.3%
2017	\$3,923	6.5%	\$1,586	-0.2%
2018	\$3,847	-1.9%	\$1,712	7.9%
2019	\$3,848	0.0%	\$1,845	7.8%
** 2020	\$3,903	1.4%	\$1,904	3.2%

** Proposed Option 2

Long-Term Property Tax Strategy (LTPTS)

In 2008 after an extensive public consultation process, Council adopted a LTPTS with two objectives meant to create better taxation equity between business and residential tax classes:

1. Equalization of light industry and business property tax rates.

2. Reduction of the business to residential property tax rate ratio to be at or below the median ratio for the region.

The first objective was achieved in 2009. The second objective, which depends on adjusting not just rates, but the ratio between two different rates, has proven to be more challenging to realize over the past few years. While the situation is different this year, the City's Residential Class assessments have historically increased at a rate greater than the Business Class assessments. As mentioned earlier, when calculating the tax rates under the conventional method, increased assessments result in lower tax rates so during that period the ratio continued to increase. However, since last year, Business Class values have been increasing more than the Residential Class, which decreases the business to residential property tax ratio, moving closer to achieving the second objective of the LTPTS.

Using the methodology used in the LTPTS, the following table compares the ratio of Business Class to Residential Class 2019 tax rates for a representative group of lower mainland municipalities.

Average Business Taxes - 2019			
Tax Ratio			
Municipality	Business Class Tax Rate (Mill Rate)	Residential Class Tax Rate (Mill Rate)	Ratio of Business to Residential Class
New Westminster	9.46	2.45	3.86
Coquitlam	7.27	1.98	3.67
Burnaby	5.35	1.51	3.54
Port Coquitlam	7.90	2.36	3.35
Vancouver	4.27	1.34	3.20
City of North Vancouver	5.03	1.61	3.12
Surrey	5.46	1.76	3.11
Delta	7.13	2.34	3.04
District of North Vancouver	4.63	1.66	2.79
Richmond	4.27	1.55	2.76
West Vancouver	2.92	1.41	2.07
Median	5.35	1.66	3.12

The ratio demonstrates the ratio of taxes paid by the Business Class versus the Residential Class per \$1,000 of assessed value and reflects the City's position vis-à-vis the second LTPTS objective. In 2019, Council opted to shift 2% of the 4.25% tax rate increase from the Business Class to the Residential Class resulting in the City's ratio being at the regional median, thus, meeting the second objective of the LTPTS. It is worth noting that because property tax is a deductible expense for businesses, but not for residential taxpayers, there is general acknowledgement that the business property tax rate can reasonably be higher than the residential property tax rate.

The City's LTPS, being a decade old, is due for review but due to ongoing work on Provincial legislative changes to provide business property tax relief it is recommended

that this work be done once there is certainty regarding changes to the assessment regime and legislation. Details of the current Provincial changes and work of the regional Intergovernmental Working Group can be found in **Attachment #3**.

PROPERTY TAX DISTRIBUTION OPTIONS:

Two options for the distribution of 2020 General Municipal tax rate increase to the residential and business classes are presented below. The models have been calculated based on the BC Assessment Revised Roll received in March. The same amount of taxes is collected under each option.

OPTION 1: Across the Board Tax Increase (2.0% Tax Rate Increase)

This option would apply the tax increase evenly over all the available property classes, with the exception of Utilities (Class 2) and Major Industry (Class 4) which are, except for two properties, capped by provincial legislation.

The municipal tax impact under Option 1 on the residential and business class is the following:

	2019	2020	\$Inc(Dec)	% Change
Residential Property Class				
Average Residential Class	1,947	1,986	39	2.0%
Average Single Dwelling Unit	2,611	2,596	(15)	-0.6%
Average Multi Dwelling Unit	1,250	1,279	29	2.3%
Business Property Class				
Average Small Business	5,596	5,708	112	2.0%
Average Medium Business	11,192	11,416	224	2.0%
Average Large Business	223,833	228,312	4,479	2.0%

Under Option 1, the ratio of the Business Class to Residential Class tax rates decreases from 3.12 in 2019 to 2.82 in 2020. This is an expected outcome as the assessed values for the business property class as a whole have increased more than the residential property class (2.4% increase vs 7.5% decrease). The decrease is even more significant if we consider the past two years. The City 2018 tax ratio was 3.85, which under Option 1 translated in a 1.03 (27%) decrease of the ratio over a period of two years. **Attachment #1** provides impact of Option 1 to the residential and business properties.

OPTION 2: 2% Tax Shift from Business to Residential (3.2% Residential & 0.0% Business) - RECOMMENDED

Option 2 is based on reducing the share of taxes paid by the Business Class (Class 6). In the City, this also includes all properties classified as Light Industrial (Class 5), as the rates for the two classes are kept equal under the first LTPTS objective. This option shifts taxes from Business & Light Industrial classes to the Residential Class. The 2020 tax rate increase for Residential Class under this option would increase from 2.0% to

3.2%. The Business and Light Industry 2020 tax rate increase would decrease from 2.0% to 0.0%.

The municipal tax impact under Option 2 is the following:

Under Option 2, the ratio of Business Class to Residential Class tax rates decreases from 3.12 in 2019 to 2.73 in 2020. **Attachment #2** provides impact of Option 2 to the residential and business properties.

	2019	2020	\$Inc(Dec)	% Change
Residential Property Class				
Average Residential Class	1,947	2,009	62	3.2%
Average Single Dwelling Unit	2,611	2,625	14	0.5%
Average Multi Dwelling Unit	1,250	1,293	43	3.4%
Business Property Class				
Average Small Business	5,596	5,596	-	0.0%
Average Medium Business	11,192	11,192	-	0.0%
Average Large Business	223,833	223,833	-	0.0%

Option Summary

A summary of Options 1 and 2 of the 2020 municipal tax rate increase distribution is as follows:

	Taxes 2019	Option 1 2020	Option 2 2020	Variance Options 1&2 \$Inc(Dec)
Residential Property Class				
Average Residential Class	1,947	1,986	2,009	23
Average Single Dwelling Unit	2,611	2,596	2,625	29
Average Multi Dwelling Unit	1,250	1,279	1,293	14
Business Property Class				
Average Small Business	5,596	5,708	5,596	(112)
Average Medium Business	11,192	11,416	11,192	(224)
Average Large Business	223,833	228,312	223,833	(4,479)
				-
Business/Residential Ratio	3.12	2.82	2.73	(0.09)

Staff Recommendation

Staff is recommending **Option 2 (2% Tax Shift from Business to Residential)** for Council consideration. However, this recommendation was particularly difficult to reach this year.

The following has been considered when recommending this option:

1. Soften Tax Impact on Business Class – For 2020 there does not appear to be a significant property assessment increase discrepancy between various Business Class property types, however, properties continue to be assessed at highest-and-best-use resulting in underdeveloped properties continuing to carry an increased percentage of the assessed value of the Class. Such discrepancies translates in a reallocation of the property tax burden between properties of the Class. It is expected that some businesses continue to be significantly impacted by the increased discrepancies of the last few years and may find it challenging to maintain operations. The proposed 2% shift will assist in reducing some of the tax burden. The tax shift to Residential Class will have a modest impact on the tax share of this Class.

2. Retention of Business - As a result of COVID-19, many business have had to close their doors and some may not recover. Senior levels of government recognize that business' ability to rebound will be key to the economic recovery of our communities and various support programs have already been announced. Supports from senior levels of government continue to evolve. While municipalities are prohibited from providing assistance to a business, the recommended tax increase shift signals the City's support to the business community.

3. Tax Deferment Program – In a letter dated March 23, 2020 to Hon. Premier John Horgan and Hon. Minister Selina Robinson (**Attachment #4**), Mayor Buchanan and several other Lower Mainland mayors urged the Province to expand the Provincial Property Tax Deferment Program to include all property owners, including residential, business and non-profits. Unfortunately, there are no indications at this time that the Province will expand the program. The program provides relief opportunity to families and property owners over the age of 55. Unfortunately, such an opportunity is unavailable to business owners.

As mentioned, this recommendation has been particularly difficult to make. The current COVID-19 is difficult for everyone. This year, Finance has received several emails from residents concerned with the tax increase. Some mentioned having lost their employment. The Financial Plan was adjusted and the tax increase was lowered to 2% to be somewhat in line with inflation. Under Option 2 residential properties will see an average tax increase of 3.16%, slightly above inflation. Furthermore, as discussed above, the ratio of the Business Class to Residential Class tax rates has been decreasing significantly over the past two years due to the fact that business assessments have increased more than residential assessments. The target set by the LTPTS would potentially be met this year without a tax shift. These factors which would support the implementation of Option 1 could also be taken into consideration by Council when making a final decision.

Finally, the average amount paid by City of North Vancouver single and multi dwelling unit owners in combined taxes and utilities in comparison to others in the region should also be considered. Option 2 would maintain the City competitiveness within the region. The following table provides a summary of the 2019 combined tax and utility charges for a representative house in the region.

2019 Representative House

<u>Municipality</u>	<u>Municipal Taxes</u>	<u>Municipal Utilities</u>	<u>TOTAL</u>
	\$	\$	\$
Port Coquitlam	2,339	996	3,335
Surrey	2,028	1,418	3,446
Burnaby	2,409	1,265	3,674
North Vancouver City	2,742	1,106	3,848
Richmond	2,592	1,261	3,853
Coquitlam	2,580	1,281	3,861
Vancouver	3,059	1,443	4,502
North Vancouver District	2,915	1,677	4,592
New Westminster	2,949	1,666	4,615
Port Moody	3,346	1,170	4,516
West Vancouver	4,802	1,978	6,780

Source- 2019 LGDE Schedule 704

Next Steps

Pending Council's resolution, staff will be bringing forward the 2020 Tax Rate Bylaw at the Regular Council Meeting of May 4, 2020, which will implement the adopted property tax distribution scenario.


FINANCIAL IMPLICATIONS

Financial implications are discussed throughout the report.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

The tax distribution recommended by staff in this report is based on the objectives of the City's LTPTS, which, as part of the City's Economic Development Strategy, was developed in consultation with the community to support the City's economic objectives.

RESPECTFULLY SUBMITTED:


Ben Themens
Director, Finance

The City of North Vancouver
Property Tax Impact on 2020 Tax Distribution
Option 1 - 2.0% Overall
RESIDENTIAL CLASS

		Average Assessed Value			
Total Residential Class	\$	1,208,149	\$	1,117,379	-7.5%
		2019	2020		
		Change			%
Property Tax	\$	1,947	\$	1,986	\$ 39 2.00%
Utilities	\$	630	\$	647	\$ 18 2.83%
		\$ 2,577	\$	2,634	\$ 57 2.20%

		Average Assessed Value (Note 1)			
Multi Dwelling Unit	\$	775,752	\$	719,455	-7.3%
		2019	2020		
		Change			%
Property Tax	\$	1,250	\$	1,279	\$ 29 2.28%
Utilities	\$	595	\$	610	\$ 15 2.56%
	\$	1,845	\$	1,889	\$ 44 2.37%

Average Assessed Value (Note 2)					
Single Dwelling Unit	\$	1,619,905	\$	1,460,127	-9.9%
2019			2020		
			Change		%
Property Tax	\$	2,611	\$	2,596	\$ (15) -0.59%
Utilities	\$	1,237	\$	1,278	\$ 41 3.33%
	\$	3,848	\$	3,873	\$ 26 0.67%

Note 1: 2020 Average Assessed Value calculated based on BC Assessment Revised Roll Res Strata Total

Note 2: 2020 Average Assessed Value calculated based on BC Assessment Revised Roll Res Single Family Total

The City of North Vancouver
Property Tax Impact on 2020 Tax Distribution
Option 1 - Overall 2.0%
BUSINESS CLASS

		Average Assessed Value (Note 1)			
Business - Small	\$	1,112,450	\$	1,139,360	2.4%
		2019	2020		
		Change			%
Property Tax	\$	5,596	\$	5,708	\$ 112 2.0%
Drainage Levy	\$	207	\$	208	\$ 1 0.5%
Eco Levy	\$	74	\$	95	\$ 21 28.8%
	\$	5,877	\$	6,011	\$ 134 2.3%

		Average Assessed Value (Note 1)			
Business - Medium	\$	2,224,898	\$	2,278,741	2.4%
		2019	2020		
		Change			%
Property Tax	\$	11,192	\$	11,416	\$ 224 2.0%
Drainage Levy	\$	414	\$	416	\$ 2 0.5%
Eco Levy	\$	147	\$	190	\$ 42 28.8%
	\$	11,753	\$	12,022	\$ 269 2.3%

		Average Assessed Value (Note 1)			
Business - Large	\$	44,497,964	\$	45,574,815	2.42%
		2019	2020		
			Change		%
Property Tax	\$	223,833	\$	228,312	\$ 4,479 2.0%
Drainage Levy	\$	8,285	\$	8,327	\$ 41 0.5%
Eco Levy	\$	2,950	\$	3,800	\$ 850 28.8%
	\$	235,068	\$	240,438	\$ 5,371 2.3%

Note 1: 2020 Average Assessed Value calculated based on BC Assessment Revised Roll.

The City of North Vancouver
Property Tax Impact on 2020 Tax Distribution
Option 2 - Overall 2%, 2% shift from Business to Residential
RESIDENTIAL CLASS

		Average Assessed Value			
Total Residential Class	\$	1,208,149	\$	1,117,379	-7.5%
		2019	2020		
		Change			%
Property Tax	\$	1,947	\$	2,009	\$ 62 3.16%
Utilities	\$	630	\$	649	\$ 19 3.02%
		\$	2,577	\$	2,658 \$ 80 3.12%

		Average Assessed Value (Note 1)			
Multi Dwelling Unit	\$	775,752	\$	719,455	-7.3%
		2019	2020		
		Change			%
Property Tax	\$	1,250	\$	1,293	\$ 43 3.44%
Utilities	\$	595	\$	611	\$ 16 2.69%
		\$	1,845	\$	1,904 \$ 59 3.20%

Average Assessed Value (Note 2)					
Single Dwelling Unit	\$	1,619,905	\$	1,460,127	-9.9%
2019			2020		
			Change		%
Property Tax	\$	2,611	\$	2,625	\$ 14 0.54%
Utilities	\$	1,237	\$	1,278	\$ 41 3.33%
	\$	3,848	\$	3,903	\$ 55 1.43%

Note 1: 2020 Average Assessed Value calculated based on BC Assessment Revised Roll Res Strata Total

Note 2: 2020 Average Assessed Value calculated based on BC Assessment Revised Roll Res Single Family Total

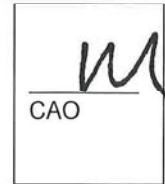
The City of North Vancouver
Property Tax Impact on 2020 Tax Distribution
Option 2 - Overall 2.0%, 2% Shift from Business to Residential
BUSINESS CLASS

		Average Assessed Value (Note 1)			
Business - Small	\$	1,112,450	\$	1,139,360	2.4%
		2019	2020		
		Change			%
Property Tax	\$	5,596	\$	5,596	\$ 0 0.00%
Drainage Levy	\$	207	\$	204	\$ (3) -1.47%
Eco Levy	\$	74	\$	93	\$ 19 26.30%
	\$	5,877	\$	5,893	\$ 16 0.28%

		Average Assessed Value (Note 1)			
Business - Medium	\$	2,224,898	\$	2,278,741	2.4%
		2019	2020		
		Change			%
Property Tax	\$	11,192	\$	11,192	\$ 0 0.00%
Drainage Levy	\$	414	\$	408	\$ (6) -1.47%
Eco Levy	\$	147	\$	186	\$ 39 26.29%
	\$	11,753	\$	11,786	\$ 33 0.28%

		Average Assessed Value (Note 1)			
Business - Large	\$	44,497,964	\$	45,574,815	2.4%
		2019	2020		
			Change		%
Property Tax	\$	223,833	\$	223,833	\$ 0 0.00%
Drainage Levy	\$	8,285	\$	8,163	\$ (122) -1.47%
Eco Levy	\$	2,950	\$	3,725	\$ 776 26.29%
	\$	235,068	\$	235,722	\$ 654 0.28%

Note 1: 2020 Average Assessed Value calculated based on BC Assessment Revised Roll.



The Corporation of **THE CITY OF NORTH VANCOUVER**
FINANCE DEPARTMENT
REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director of Finance

SUBJECT: TAX RELIEF FOR SMALL BUSINESSES, NON-PROFITS, ARTS AND CULTURE GROUPS

Date: March 2, 2020 File No: 05-1610-01-0001/2020

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the Director of Finance, dated March 2, 2020, entitled "Tax relief for small businesses, non-profits, arts and culture groups":

THAT staff defer the implementation of tax relief options described in the newly tabled Provincial legislation until at least the 2021 taxation year;

AND THAT staff complete and report back to Council on steps and schedule of a potential implementation of tax relief options.

ATTACHMENT:

1. News Release from the Province of British Columbia concerning "Tax relief for small businesses, non-profits, arts and culture groups" dated February 24, 2020
2. "Backgrounder – Interim Business Property Tax Relief" submitted by the Province of British Columbia on February 24, 2020
3. Letter from Mayors to the Honourable Selina Robinson dated February 27, 2020
4. Letter from UBCM to the Honourable Selina Robinson entitled "Bill 10 – Municipal Affairs and Housing Statutes Amendment Act, 2020" dated February 28, 2020
5. Letter from the Honourable Selina Robinson to Mayors dated March 2, 2020

DISCUSSION:

The Province of British Columbia tabled a legislation concerning the above-mentioned subject on February 24, 2020. **Attachments 1 and 2** provide a news release and backgrounder concerning the legislation.

An Intergovernmental Working Group (IWG) that included members of various Provincial entities and CFO's of nine lower mainland municipalities had discussed the imminent submission of the legislation for a number of weeks prior to its presentation to the legislature and voiced concerns concerning the legislation.

Following the introduction of the legislation, the municipal members of the IWG drafted a letter to Minister Selina Robinson discussing the limitations of the legislation and main municipal concerns. The letter was presented to the Mayors of the municipalities included in the IWG for consideration and signed by them (**Attachment 3**). UBCM President, Mayor Maja Tait of the District of Sooke also signed the letter. Mayor Tait also followed up with a UBCM letter to Minister Robinson (**Attachment 4**).

As explained in Attachment 3, there are several concerns with regard to the newly introduced legislation. For instance, the following issues were noted:

- The timing of the legislation does not allow sufficient time to implement robust and fair processes and engage stakeholders adequately. The City would be providing tax exemptions without public consultation.
- If implemented, the legislation will translate into transferring taxes from one taxpayer to another so that total revenue from municipal and school taxes remains unchanged. Such situation results in some taxpayers receiving benefits and others paying for those benefits, further enhancing the need for public consultation prior to implementation.
- The proposed legislation also does not address the root cause of the problem that stems from the taxation of assessment related to future potential development passed down to triple net lease business operators. The legislation provides a tax exemption based on assessment value increase over a certain period not considering the cause of the increase. It lacks transparency and may not achieve its goal of providing tax relief to small businesses, arts, culture and non-profit organizations from large increases in property taxes created by development potential.
- The City could also be providing tax exemptions with unintended consequences such as businesses receiving tax relief for the wrong reasons, and struggling businesses and organizations ending up paying higher taxes. Based on proposed legislation, if a tenant on a triple net lease occupies the same property as a big box store, the entire property would receive the tax exemption due to private legal contractual agreements. However, a small mom-and-pop owner occupied and operated business will not be eligible to receive the exemption.

This will further result in small owner operated businesses potentially subsidizing big box stores.

Minister Robinson provided a reply to the Mayors' letter (**Attachment 5**). In it, she discusses the reasons that led her to propose an interim solution instead of targeting the implementation of Split-Assessment as proposed by IWG and UBCM.

The Minister states:

"Such a significant change [Split-Assessment] would also require us to work with representatives from UBCM and from communities across the province to be sure we have a full understanding of the potential implications for communities that were not involved in the initial assessment of this proposal. None of these steps could be rushed."

Based on this statement, it seems that the Province believes that the implementation of Permissive Exemption by municipalities does not require or requires limited public consultation while Split-Assessment would require significant consultation.

The Minister adds:

"I will not suggest that the Interim Business Property Tax Relief Program is a perfect long-term solution – that is why it is an interim measure – but it is the only viable option to give small businesses the relief they need for the 2020 tax year."

The Province believes that the relief program can be implemented in the next few weeks and that it is the only option to provide relief this year. The municipalities consider that given the time constraint, the program cannot be implemented equitably particularly, without proper public consultation.

The Minister further states:

"Staff are already in contact with a number of municipalities that are looking at options for how to use this tool to provide relief for a number of affected properties. I strongly encourage you to consider doing the same for at least the hardest hit properties for 2020 – we all know the many stories out there that provide clear evidence of how desperately small businesses need relief."

The Province again seems to believe that municipalities can identify, select and target a number of properties and use the legislation to provide tax relief to these specific properties. As discussed above, municipalities are concerned that the legislation will have unintended consequences such as businesses receiving tax relief for the wrong reasons, and struggling businesses and organizations ending up paying higher taxes.

Given the above, staff recommends that, similarly to many other municipalities, the implementation of the permissive tax exemption mechanism provided through the proposed provincial legislation be deferred until at least 2021. This will provide staff with the opportunity of further reviewing the legislation, reporting findings to Council and potentially proceeding with public consultations.

RESPECTFULLY SUBMITTED:



Ben Themens
Director of Finance



NEWS RELEASE

For Immediate Release
2020MAH0032-000322
Feb. 24, 2020

Ministry of Municipal Affairs and Housing

Tax relief for small businesses, non-profits, arts and culture groups

VICTORIA – A new Interim Business Property Tax Relief program will allow local governments to provide immediate property tax relief for the 2020 tax year.

This relief will apply to small businesses and non-profits, as well as arts and culture organizations, that are struggling with high lease costs as a result of years of rapidly increasing property values.

"Years of an out-of-control real estate market have resulted in unexpected tax spikes for many small businesses that pay property taxes as part of their commercial leases," said Selina Robinson, Minister of Municipal Affairs and Housing. "People have been asking for help, and today we're offering a way for local governments to provide that help. This new program empowers local governments to provide immediate relief to the small businesses and organizations most affected by skyrocketing property taxes in their communities."

Recognizing the challenges look different in each municipality, this tax relief program will allow municipalities to exempt, by bylaw, a portion of the assessed value of those properties most affected by this issue in a way that works for their community.

The changes enable significant relief for small businesses and others who have been calling for changes for over a decade. It will reduce the taxes paid by these properties, reducing lease costs for tenants with triple-net leases. The legislation gives municipalities maximum flexibility to tailor the way they identify properties in need of relief in their communities and to set the amount of tax exemption for selected properties.

To help communities meet the timeline to deliver relief for the 2020 tax year, ministry staff have worked with interested communities since advance notice of the legislation was given in January. The Province has worked with municipalities to help them prepare for implementation and will further support them by providing a model bylaw, staff advice, a user guide and procedural changes.

This program is an interim solution while the Province continues to work with local governments and the Union of British Columbia Municipalities, as well as business and community stakeholders on a permanent solution that will work for communities of all sizes throughout the province.

This legislation, the municipal affairs and housing statutes amendments act, also introduced four other minor amendments to the Assessment Act, Local Government Act, Community Charter and the Vancouver Charter.

Quotes:

Michael Hind, CEO, Tri-Cities Chamber of Commerce –

“We appreciate the provincial government's efforts to address the large commercial-property tax increases threatening many small businesses around B.C., including in the Tri-Cities. The proposed interim measures are a step in the right direction, but we continue to stress the need for the provincial government to develop a comprehensive long-term solution.”

Brian McBay, executive director, 221A and chair, City of Vancouver Arts and Culture Advisory Committee, Cultural Spaces Committee –

“Vancouver is being emptied out of music and performing art venues, art galleries and artist studios. The city reported over 20 cultural spaces with approximately 400 artists were closed in the last year. The cultural sector is in a crisis and the Province’s tax measures are the right step toward halting the closure of art spaces that bring joy and humanity to our democracy.”

Learn More:

For more information about the municipal affairs and housing statutes amendment act, visit:
<https://news.gov.bc.ca/21630>

A backgrounder follows.

Contact:

Ministry of Municipal Affairs and Housing
Media Relations
778 584-1255

Connect with the Province of B.C. at: news.gov.bc.ca/connect

BACKGROUND

For Immediate Release
2020MAH0032-000322
Feb. 24, 2020

Ministry of Municipal Affairs and Housing

Key elements of Interim Business Property Tax Relief program

The Interim Business Property Tax Relief legislation sets standard requirements that all local governments implementing it should meet, while offering significant flexibility to tailor their approach beyond these basic requirements.

This basic framework requires a property to be assessed in a commercial class – Class 5 (Light Industry), Class 6 (Business and Other) or a combination of the two – and have at least one tenant responsible for all or a portion of the property taxes to qualify for the exemption.

Local governments that choose to use the legislation will need to pass a bylaw to set further parameters to identify properties where the taxes have increased significantly due to a spike in land value in their communities. Those parameters include:

- a base tax year of 2015 or later to use as comparison to the current taxation year. For example, a municipality where property values began to spike in 2017 could choose 2016 as the base year.
- a minimum percentage of increase in commercial land value since the chosen base year. For example, a municipality can determine that the land value of the commercial portion of the property (Class 5/6) for 2020 must be 50% higher than it was in a 2016 base year to qualify;
- a minimum percentage of the total property value that must be land value. For example, a municipality can require that in order to qualify for the exemption, 80% of the property's total assessed value must be the value of the land (not the building); and
- the percentage of the exemption by property, area or kind. For example, a municipality can decide that eligible properties in neighbourhood B will receive a 10% exemption on the commercial portion (Class 5/6) of the property.

To support local governments wanting to implement this tool this year, the Province has extended the deadline for when communities must have their bylaw passed to April 22, rather than March 31, 2020, and is providing them with staff advice, a model bylaw and a user guide.

Municipalities will be required to publish the public notice of the bylaw only once, instead of twice. Third reading and adoption of the bylaw can happen on the same day.

Contact:

Ministry of Municipal Affairs and Housing
Media Relations
778 584-1255

BACKGROUNDER

INTERIM BUSINESS PROPERTY TAX RELIEF

POTENTIAL BENEFITS

- If passed, the legislation would enable municipalities to provide immediate, short-term property tax relief for commercial property tenants who have been struggling for years with unexpected and significant property tax increases, particularly small businesses, non-profits and arts and culture organizations.
- If municipalities choose to use the tool, they would be able to exempt, by bylaw, a portion of the commercial (Class 5 – Light Industry and Class 6 – Business and Other) property value from taxation; this would result in lower property taxes for commercial lessees who are required to pay all or a portion of these taxes under the terms of their leases.

DURATION OF THE INTERIM SOLUTION

- This legislation would allow municipalities to give targeted relief for up to five years (through the 2024 tax year), while the Province continues to work with local governments and key stakeholders on a permanent solution.
- However, we do not think it will take five years to find a permanent solution that works for everyone; once we introduce a longer-term mitigation strategy, this interim solution would be rescinded, and the permanent fix would replace it.

SUPPORT FOR MUNICIPALITIES

- To help municipalities meet the tight timelines for 2020, we pre-announced the legislation and have been engaged in several outreach efforts with interested municipalities under the terms of non-disclosure agreements. We also extended the bylaw adoption deadline and adjusted notification and adoption requirements for 2020, and BC Assessment is providing property data when requested so municipalities can run some preliminary numbers.
- As well, we have prepared a user guide, model bylaw and sample notice to provide further support for implementation.
- If your municipality is interested in implementing the Interim Business Property Tax Relief program for 2020, please contact Brian Currie at Brian.Currie@gov.bc.ca or (250) 356-6075 for more information.

ELIGIBILITY REQUIREMENTS

- The legislation would have a basic framework requiring a property to be assessed as commercial and occupied by at least one commercial tenant responsible for property taxes in whole or in part, the amount of which varies with the amount of tax imposed.

- The legislation would also require a municipality to set certain criteria thresholds properties would have to meet to be eligible for this exemption. This is to ensure municipalities have flexibility and autonomy in addressing their unique community needs, at the local level. These include:
 - Base year (2015 or any year thereafter), to use as comparison to the current tax year;
 - Percentage increase in assessed Class 5/6 land value over base year (e.g., the combined Class 5/6 land value for 2020 must be 50% higher than it was in 2015);
 - Minimum land value percentage of total assessed value (e.g., for the current tax year, the portion of the total assessed value of the property attributable to land must be 80%); and
 - Percentage of the exemption by property, area or kind (e.g., all properties in neighbourhood X receive a 10% exemption).
- This issue looks very different in each community. A top-down, blanket approach from the Province would be moving in the wrong direction; municipalities are in the best position to address the issue in their communities and determine what specific properties need relief.
- It would be up to municipalities to determine annually which properties are eligible and the amount of the exemption.

MUNICIPAL TAX REVENUE IMPLICATIONS

- Municipalities would be able to decide whether to give up the municipal tax revenues those properties would have generated or redistribute the tax burden within or among classes by adjusting tax rates.

INTERIM SOLUTION VS. SUB-CLASS PROPOSAL

- Introducing a new sub-class would have further complicated an already complex assessment system, required a new methodology for valuing “development potential”, and was legislatively challenging to implement. Precedent-setting changes to the assessment system need to be done thoughtfully and with great care as they have a significant impact and potential for unintended consequences.
- The UBCM resolution was only endorsed by a small margin (54% Yes, 46% No) and while it reflects a strong desire on the part of municipalities to provide relief to small businesses, it was also clear that there was significant concern about whether that approach would work for all municipalities, not just those in Metro Vancouver.
- This interim solution would allow municipalities to give businesses and organizations immediate relief while the Province continues to work with local governments and key stakeholders to develop a permanent solution that works for everyone.

FLOW-THROUGH TO SCHOOL TAXES

- This exemption would flow through to school taxes.
- Municipalities would be required to raise the same amount of school tax revenue as would have been raised without the exemption by adjusting school tax rates for Class 5 and/or Class 6.

February 27, 2020

The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
PO Box 9056 Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister Robinson:

We appreciate the Province's efforts to address the property tax issues being faced by small businesses and arts, culture and non-profit organizations in our communities.

Property tax reform is greatly needed as hundreds of small businesses and our community partners are impacted by property taxation on development potential for properties that are not developed to their highest and best use.

The interim property tax relief legislation announced on February 24, 2020 by the Province does not address property taxation on development potential. As well, it poses multiple implementation challenges including:

- The timing of the legislation does not allow sufficient time to engage stakeholders in a meaningful way, or to put processes in place to implement the legislation;
- The data required to address the criteria of the legislation is not readily available; and
- There could be unintended consequences such as businesses receiving tax relief for the wrong reasons, and struggling businesses and organizations end up paying higher taxes.

(A more detailed analysis of the challenges is provided in the attached Appendix.)

Further, we are concerned the proposed legislation will raise unrealistic expectations amongst small business, arts, culture and non-profit communities about the extent to relief to be provided which will likely result in additional public outcry and confusion.

We respectfully request the province to continue to work as part of the Intergovernmental Working Group (IWG) on implementing split assessment through a new commercial sub class - split assessment.

This split assessment approach was recommended by the entire IWG as the most viable approach as:

- It addresses the root cause of the problem by allowing municipalities to tax existing use versus development potential differently;
- It offers a common platform for municipalities while allowing a high degree of flexibility, scalability and customization, similar to the intent behind a permissive exemption. Municipalities can decide whether or not to use the tool and determine the eligibility requirement, tax rate and duration of the tax relief by-laws; and
- It is more transparent and straight-forward to administer than the proposed permissive exemption approach.

For the past year and a half, chief financial officers from various municipalities worked with senior staff from the Ministry of Municipal Affairs and Housing, as well as the Ministry of Finance and BC Assessment, as part of the IWG to review the development potential issue. In May 2019, the IWG submitted a recommendation for split assessment. The IWG agreed this was the most targeted approach to address the core issue - taxes on development potential - impacting small business, arts, culture and non-profit organizations.

The need for split assessment arises due to properties being assessed at highest and best use. As Metro Vancouver cities grow and evolve, official community plans (OCP) and neighborhood plans are developed to set out 20-25 year plans to densify communities to support anticipated population and job growth, and to expand commercial and light industrial space. As OCPs and neighborhood plans are implemented over time, certain properties will continue their existing use for a number of years until redevelopment occurs, while their assessed value reflects a higher and better future use as per OCPs/neighborhood plans.

At present, there is no property class for this future development potential as a type of use. Existing use value and the future development potential value is aggregated into the same property class. As a result, local governments cannot set different tax rates for existing use versus future development potential. This limitation has significantly impacted the viability of local independent businesses as well as the arts, culture and non-profit sectors, particular for tenants on triple net leases. The split assessment recommendation would create a sub class for this future development potential.

Moreover, the split-assessment recommendation proposed by the IWG would be enabling legislation that would only have to be adopted by municipalities that

choose to use it, similar to the proposed interim solution. As well, it will not result in tax shift across municipalities - for municipalities that choose to use split assessment, any tax reallocation will be confined within the municipality.

In summary, while the interim solution put forward by the Province may satisfy the desire to put a mechanism in place for the 2020 tax year, given the challenges expressed above, the undersigned Mayors do not support the interim permissive property tax exemption legislation.

We respectfully request that the Province continue to work with the IWG on implementing split assessment through a new commercial sub class, in order to address the property tax impacts of development potential.

If you have any questions or concerns about the contents of this letter, please feel free to reach out to any of the signatories in this letter.

Sincerely,



Mayor Kennedy Stewart
City of Vancouver



Mayor Richard Stewart
City of Coquitlam



Mayor Mike Little
District of North Vancouver



Mayor Maja Tait
District of Sooke



Mayor Linda Buchanan
City of North Vancouver



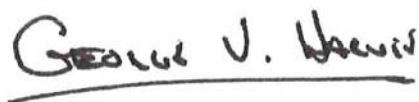
Mayor Mary-Ann Booth
City of West Vancouver



Mayor Malcolm Brodie
City of Richmond



Mayor Mike Hurley
City of Burnaby



Mayor George V. Harvie
City of Delta



Mayor Rob Vagramov
City of Port Moody



Mayor Doug McCallum
City of Surrey

Appendix: Challenges With Interim Property Tax Relief Legislation

Key challenges municipalities are facing with the Province's interim property tax relief legislation include:

Public Consultation

- Similar to the Province needing more time for consultation across British Columbia before implementing split assessment, municipalities need time for public consultation and engagement with stakeholders prior to implementing any solution including a permissive tax exemption. Among other things, the public and stakeholders need to understand how and who can qualify for an exemption and the impacts of a permissive exemption.
- The proposed legislation will result in a transfer of the tax burden of both municipal and school taxes among taxpayers. Municipalities will be required to collect the same amount of school tax, which means the tax rate will have to be adjusted, resulting in a redistribution of the tax burden for school taxes. Municipalities will either have to collect less tax, or redistribute the tax burden among taxpayers.
- A structured policy is required to determine who receives benefits, the amount of the benefits, and who pays for the benefits. Time for proper consultation is critical to enable staff and elected officials to understand the issues and answer questions as to why some businesses receive benefits and others don't. This is particularly important as the proposed legislation is not based on development potential, something that the public is keenly aware of and understands. An appropriate public consultation process will ensure that the opinions of all those impacted are considered when creating changes.

Lack of Required Data to Meet Criteria as per Proposed Legislation

- There is no common definition of "small business" for property assessment/taxation purposes.
- Private legal contractual agreement information and other owner/operator versus tenant data is not available from BC Assessment or other sources except private sources.
- A process to validate lease agreements to ensure only those with triple net leases are receiving the exemption is required and there is insufficient time to implement such a policy.

Unintended Consequences and Risks

- The proposed permissive exemption that segments the business class on such a short time frame without sufficient public consultation and proper due diligence creates risks for city councils such as potential legal challenges, error and omission in inclusion/exclusion of properties, and undetermined impacts on tax revenues
- Risk of the small businesses, arts culture and non-profit organizations subsidizing big box/chain stores is a major concern. Based on proposed legislation, if a tenant on a triple net lease occupies the same property as a big box store, the entire property would receive the tax exemption due to private legal contractual agreements. However, a small mom-and-pop owner occupied and operated business will not be eligible to receive the exemption. This will result in small owner-operated businesses potentially subsidizing big box stores.
- The original intent was to provide relief to small businesses, arts, culture and non-profit organizations from large increases in property taxes created by development potential. The interim solution risks placing additional tax pressures on some of these properties and ultimately, there is insufficient time to address these risks.



February 28, 2020

The Honourable Selina Robinson
 Minister of Municipal Affairs and Housing
 PO Box 9056 Stn Prov Govt
 Victoria, BC
 V8W 9E2

Dear Minister Robinson:

Re: Bill 10 – *Municipal Affairs and Housing Statutes Amendment Act, 2020*

On behalf of the Union of BC Municipalities, I am writing to express concerns about Bill 10 introduced by your government on February 24, 2020. While UBCM agrees that there is a need to address the property tax challenges facing small businesses and arts, culture and non-profit groups, we do not agree on the proposed solution, as outlined within Bill 10.

As you are aware, our membership recommended a different path forward with the endorsement of resolution *B78 Support for Small Business and Creation of a non-Residential Sub Class in Property Tax Assessment* at the 2019 UBCM Convention. The enactment clause of B78 is as follows:

Therefore be it resolved the Province of British Columbia work with municipalities to make the necessary legislative and regulatory changes to enable implementation of the "Split Assessment through a New Commercial Sub-Class" approach in time for 2020 to enable municipalities to lower commercial property tax rate on properties where development potential has made it difficult to operate and provide the much needed relief for smaller businesses and the arts, culture and non-profit sectors.

Instead of asking for a property tax exemption, our members sought the establishment of a new commercial sub class that would provide for a split assessment. This process would allow municipalities to tax the existing use differently from the development potential or "highest and best use". This split assessment approach was also recommended in May 2019 as the proposed solution by the Intergovernmental Working Group (IWG) that was established to work with provincial staff on this file.

Member municipalities involved in that IWG have recently advised that they do not support the interim permissive property tax exemption legislation. As UBCM President, I agreed to become a signatory to their February 27, 2020 letter recognizing that this is not the solution that BC local governments requested.

While we appreciate the Province's desire to act quickly and find a solution for the 2020 tax year, the proposed interim property tax relief legislation is fraught with many challenges, as outlined in the Appendix to the February 27th letter from metro mayors. And upon closer review of the legislation UBCM has flagged the obligations to keep school taxation whole; and other negative consequences that may result if one community adopts the enabling legislation and another doesn't or if it is implemented differently in one municipality compared to another.

UBCM is also concerned about the lack of consultation and engagement on Bill 10. At a meeting earlier this year, UBCM was advised of the approach that would be taken by the Province, but were not consulted. And, while UBCM is very supportive of the extensive work that has been undertaken by the IWG members, this group is not representative of all BC local governments.

On behalf of UBCM, we would encourage the Province to take direction from endorsed resolution 2019-B78 and the recommendations from the IWG and continue to work to find a permanent fix to this problem by fully exploring the option of establishing a new commercial sub class.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maja Tait', with a stylized, cursive script.

Mayor Maja Tait
UBCM President



March 2, 2020

Ref: 252481

His Worship Mayor Kennedy Stewart
City of Vancouver
453 West 12th Ave
Vancouver BC V5Y 1V4

His Worship Mayor Richard Stewart
City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

His Worship Mayor Mike Little
District of North Vancouver
355 West Queens Rd
North Vancouver BC V7N 4N5

Her Worship Mayor Maja Tait
District of Sooke
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Her Worship Mayor Linda Buchanan
City of North Vancouver
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Her Worship Mayor Mary-Ann Booth
District of West Vancouver
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His Worship Mayor Rob Vagramov
City of Port Moody
100 Newport Dr
Port Moody BC V3H 5C3

His Worship Mayor Doug McCallum
City of Surrey
13450 – 104 Ave
Surrey BC V3T 1V8

.../2

Dear Mayors:

Thank you for your letter of February 27, 2020, regarding our efforts on property tax reform.

I know that we share a similar concern regarding the risk to small businesses and arts, culture and non-profit organizations from rising property assessments associated with development potential.

While this is an issue that dates back many years and has been raised by business organizations for more than a decade, I know that we all have been working extremely hard on this over the past year. I would like to thank your staff members for their engagement and work through the Intergovernmental Working Group (IWG), made up of government representatives from several Lower Mainland communities. I am also pleased that provincial staff were able to provide assistance to the local government representatives working on the IWG as they sought to explore options to mitigate the challenge of rising property assessment valuations and taxation.

My father was a small business owner. I understand how tough things can be for small businesses and other organizations in triple-net lease situations, especially in the face of an out-of-control real estate market. For too long, many business owners and arts and culture groups have been struggling with the impact of rising property taxes on their lease payments because of skyrocketing prices and speculation.

My priority in tackling this challenge has always been delivering relief for these small businesses and other organizations as quickly as possible. As soon as we received your Split-Assessment proposal in May 2019, specialists from the Ministry of Municipal Affairs and Housing, Ministry of Finance, and BC Assessment undertook a comprehensive review to determine the proposal's viability and any opportunity to implement the initiative on a timely basis.

By early fall, they determined it was not possible to bring in the split assessment proposal in time for the 2020 tax year. As we shared with you last fall, adoption of the proposal would represent a fundamental change to our property assessment system, requiring substantial legislative amendments. In addition, BC Assessment would also have to develop entirely new valuation methodologies and undertake property specific assessment across many thousands of individual properties in Metro Vancouver and other areas of the province.

Such a significant change would also require us to work with representatives from UBCM and from communities across the province to be sure we have a full understanding of the potential implications for communities that were not involved in the initial assessment of this proposal. None of these steps could be rushed. Staff were also concerned about the potential for the proposal to result in increased appeals and litigation, all of which would present risks to both local government revenues and property taxpayers.

Faced with this, we then had a choice: do nothing for the 2020 tax year and leave businesses to suffer or develop an interim solution – a temporary measure to provide municipalities with a way to deliver some relief to those hardest hit, while we all continue to work together urgently on a permanent fix.

Passing up the opportunity to deliver help for 2020 was not an option. I will not suggest that the Interim Business Property Tax Relief Program is a perfect long-term solution – that is why it is an interim measure – but it is the only viable option to give small businesses the relief they need for the 2020 tax year.

Our government remains committed to implementing a permanent fix, and a version of your split assessment proposal is one of the options under consideration. My staff and I will continue to work with the IWG, other local governments across B.C., and small businesses, non-profits and arts and culture organizations to develop a permanent solution to this challenge as quickly as possible.

That said, I also want to highlight the many ways that your split assessment proposal did inform the design of the Interim Business Property Tax Relief Program (under Bill 10). Elements of the legislation have been structured to reflect, to the greatest extent possible, the intended outcomes and processes advocated by the IWG. Notably, both approaches:

- Are enabling, not directive, allowing local governments to choose whether to use the legislation, and implemented through an annual bylaw at the local government level;
- Use BC Assessment's existing market value property assessment data to identify those properties most impacted by raising property values;
- Use BC Assessment's market value data to select those specific individual properties that would be eligible for relief; and
- Allow local governments to decide whether to forego the municipal tax revenue or shift the tax revenues to other ratepayers.

I appreciate that there is significant work ahead for municipalities to implement this for 2020, and I want to reassure you that we will continue to offer support for implementation. Staff are already in contact with a number of municipalities that are looking at options for how to use this tool to provide relief for a number of affected properties. I strongly encourage you to consider doing the same for at least the hardest hit properties for 2020 – we all know the many stories out there that provide clear evidence of how desperately small businesses need relief.

For those implementing it, my commitment is that we will be there every step of the way. That is why we gave advance notice of the legislation and started work early with your municipal staff to help support implementation. It is also why we have a model bylaw, sample notice and user guide available to you, along with the necessary BC Assessment data sets to help you narrow your focus on those properties most in need of relief. We also extended the deadline to adopt bylaws to April 22 based on feedback from your municipal staff, and have made a number of procedural changes to speed up adoption of the bylaws.

While this issue has been raised by businesses for a decade, we now have an opportunity to help small businesses and others who need relief this year. I hope you will all work with us to deliver relief where possible for small businesses and organizations in your communities for 2020, as we continue to work together on a permanent solution that will work for communities throughout B.C.

Sincerely,

A handwritten signature in black ink, appearing to read 'SR.L.', with a stylized flourish at the end.

Selina Robinson
Minister

March 23, 2020

Hon. Premier John Horgan
West Annex Parliament Buildings
501 Belleville St.
Victoria, BC V8V 1X4

Hon. Minister Selina Robinson
Room 310 Parliament Buildings
501 Belleville St.
Victoria, BC V8V 1X4

RE: Local Government Collaboration and Support with Provincial Government

Dear Premier Horgan and Minister Robinson:

As Metro Vancouver Mayors' we would like to start by thanking the provincial government for their demonstrated leadership in moving quickly to respond to the current COVID-19 pandemic in protecting the health of our citizens and the whole of British Columbia.

As Local Mayors the health of our residents is a top priority and we are committed to working collaboratively within our individual municipalities, and with one another to enforce the directives by Dr. Bonnie Henry under the Public Health Emergency and by Minister Farnworth under the Provincial State of Emergency. Over the last several weeks our communities have been putting business continuity plans in place, standing up our Emergency Management Organizations (EMOs) and coordinating multiple sectors.

We know things will be ever evolving and our way of business and life in our communities has changed and will continue. We are committed to working with senior levels of government with other top priorities that are emerging due to COVID-19, one being the economic impact that will be very real for many people, including local government.

Over the past week through both the Federation of Canadian Municipalities (FCM) and the local Inter-governmental Finance Working Group, staff and elected officials, have been discussing the projected financial shortfalls local governments will experience directly related to the municipal response to COVID-19.

This discussion included the impact this pandemic is having and will continue to have on our residents and businesses. To successfully navigate the impacts for local government, residents and businesses, provincial and federal support targeted specifically for municipal issues is required.

To date, the federal government has announced key financial supports to citizens, workers and businesses and we would like to see a similar response from the provincial government. In particular, we urge the Province to:

1. Expand the Provincial Property Tax Deferment Program (PPTDP) to include all property owners, including residential, business and non-profits
2. Standardize and extend the due date for other tax authority levies
3. Provide support to all renters and landlords, and
4. Provide direct, unconditional grants to cover revenue losses

We know the province is working on these issues but we need to move as quickly as possible to address the extreme financial pressures citizens and businesses in our communities are facing and will continue to have. Solid supports are needed to reduce the anxiety and stress and ensure we have a strong foundation for a full recovery once this crisis has passed.

Each of the requests are discussed in detail below:

1. Expand the Provincial Property Tax Deferment Program (PPTDP) to include all property owners, including residential, business and non-profits

Many of us have already started to hear from residents, small business owners and non-profit organizations that are unable to pay their rent or tax payments.

They need measures now to survive this crisis. Expanding the existing PPTDP to cover all residents, businesses and non-profits would provide some piece of mind and could save many businesses from closing permanently. This action is needed without delay. Some of these businesses and non-profits provide important services that must remain available during this crisis.

This makes sound economic sense because these fully secured loans pose minimal risk to the Province, and can be extended over a period of time to ease the liquidity crunch, help stimulate consumption, will rebuild local economies, provide a social safety net, and avoid municipal property tax system disruptions.

For business properties it is important that the Province implement measures to ensure that the benefits provided by this program are passed on to tenants.

2. Standardize and extend the due date for other tax authority levies

Local governments collect taxes according to set dates on behalf of other taxing authorities such as the Province, TransLink, Metro Vancouver and other regional bodies.

Under current rules and legislation, if a local government was to delay municipal tax and OTA levies collection it would still be responsible for the payment of millions of dollars in OTA levies, which most local government are unable to absorb. Provincial action to extend these dates would enable local governments to extend payment due dates to all property owners.

3. Provide support to all renters and landlords

Many individuals will lose income and be unable to work during the COVID-19 pandemic. Evictions should be prohibited. Rather, to ease the burden of paying rent, the Province should augment Federal Government support to those in financial difficulty to help pay rent, particularly in Metro Vancouver where rental fees are high. Ensuring rent payments ensures that small landlords with mortgage helpers are able to maintain their homes.

4. Provide direct, unconditional grants to cover revenue losses

The coordination of local emergency responses, the closure of civic facilities and the cancellation of events and programs have had an immediate impact on municipal revenues. By law, local governments cannot run a deficit or borrow to balance operating budgets. At the same time, the majority of local government operating budgets are funded from property tax and utility fees.

Direct financial support to cities in the form of unconditional grants will help ensure cities can continue to offer the essential services residents and businesses need for their health, safety and well-being during this trying time.

Cities have quickly instituted the orders and direction of public health authorities necessary to keep residents safe and contain the spread of coronavirus. With support from the province, local governments are prepared to immediately extend payment deadlines for property taxes and OTA levies for residents and businesses.

Finally, as a regional body of Mayors we would like to suggest that together we establish a system of communication moving forward. As noted, information, orders and changes are occurring at rapid speed. We are receiving much of this information through the daily press conferences held by Dr. Henry.

It would be most helpful to have this information in practical terms then forwarded onto our EMO, with the specific tactics that local government must implement, and under whose authority they fall. We are currently looking at setting up weekly conference calls amongst the Metro mayors to coordinate actions and maintain clear communications. We would welcome discussing this further with you.

To conclude, as Mayors' in the Metro Vancouver region we want to assure to both of you that we want to work collaboratively with your government for the betterment of our residents and business community.

This is a stressful and trying time for us all. It is truly our moment to stand together. We know that by working together, along with the federal government, we can ensure that we give British Columbia residents the best chance of limiting the impact of this pandemic.

Yours Truly,

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Mayor of Bowen Island

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Neil Belenkie
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Jack Froese
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Vancouver

Mike Little
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Brad West
Mayor of Port Coquitlam

Jonathan Cote
Mayor of New
Westminster

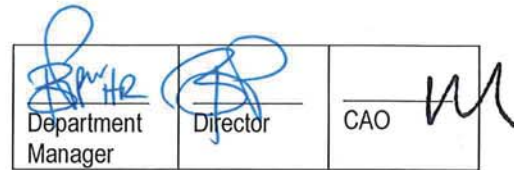
John McEwen
Mayor of Anmore

Rob Vagramov
Mayor of Port Moody

Ron McLaughlin
Mayor of Lions Bay

Valaria Van den Broek
Mayor of City of Langley

c.c. Union of BC Municipalities
Federation of Canadian Municipalities



The Corporation of **THE CITY OF NORTH VANCOUVER**
STRATEGIC & CORPORATE SERVICES

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Heather Reinhold, Deputy Director, Strategic & Corporate Services

Subject: FUNDING REALLOCATION – 115 WEST ESPLANADE COMMUNITY AMENITY SPACE

Date: April 14, 2020 File No: 02-0800-30-0001/1

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Deputy Director, Strategic & Corporate Services, dated April 14, 2020, entitled "Funding Reallocation – 115 West Esplanade Community Amenity Space":

THAT \$124,000 of existing funding approved from the General Reserve Fund for 2020 Civic Centre Improvements be reallocated to fund property tax and strata fees for the Community Amenity space at 115 West Esplanade.

BACKGROUND

Through the redevelopment of Site 8, the City of North Vancouver has received a Community Amenity space at 115 West Esplanade. Planning has been underway for several years for this Community Amenity space to be the future home of the North Vancouver Museum and Archives (NVMA).

DISCUSSION

The City of North Vancouver accepted ownership of the Community Amenity space at 115 West Esplanade on January 22, 2020. The original anticipated timeline for transfer of the space to the City was Fall 2019.

The deadline for a property tax exemption request is October 31st of the previous year. As the City was not the owner at the time of the property tax exemption deadline, the property was not eligible and we were unable to make an application. As such, property tax is due for 2020. The 2020 property tax, prorated for the days of City ownership, is

estimated at ~\$71,000. A request for 2021 property tax exemption will be made this coming October.

The Community Amenity space will be leased to NVMA (10-year lease with one 5-year renewal option) with an anticipated commencement date in August 2020. NVMA is not expected to contribute to the 2020 property tax as this is a temporary owner cost related to the date of the real estate transaction. For the time prior to transferring the space to NVMA, the City is also responsible for the strata fees. Strata fees are \$4410 per month. The construction schedule for Museum TI's is being monitored weekly against COVID-19 impact. As a result of potential construction delays, and a resultant delay in the NVMA lease commencement date, a buffer of an additional 6 months for strata fees has been included in the funding reallocation request.

In the future, following the NVMA lease commencement date, NVMA will be responsible for all operating costs including strata fees.

FINANCIAL IMPLICATIONS

Funding for 2020 property taxes and strata fees were not included in original project funding. The anticipated cost, including a 6-month buffer for construction delays, is \$124,000. There is sufficient funding available in appropriated funding from the General Reserve Fund for Civic Centre Improvements (CAO and Clerks Area), a project that will be deferred to a future year in coordination with related area upgrades. Following Finance Policy for funding transfer between projects (over \$50,000), Council approval is sought to transfer funding between projects. Should there be any funds remaining after payment of property taxes and strata fees, the funding will be returned to the said reserve.

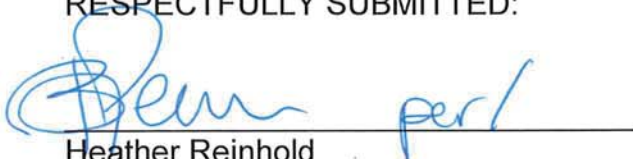
INTER-DEPARTMENTAL IMPLICATIONS

The Finance Department has reviewed and provided input into this report.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS




Securing ownership of a new Community Amenity space and completing the new North Vancouver Museum contributes to creating A Vibrant City, where dynamic public spaces and places provide opportunities for connection and enable residents to engage with their community and celebrate their culture and history.

RESPECTFULLY SUBMITTED:



Heather Reinhold
Deputy Director, Strategic & Corporate Services



 Director	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
PLANNING & DEVELOPMENT DEPARTMENT / CITY CLERK'S OFFICE

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Michael Epp, Director, Planning and Development
Karla Graham, Corporate Officer

Subject: COVID-19 – CONSIDERATIONS FOR PUBLIC HEARINGS/MEETINGS
AND PUBLIC CONSULTATION PROCESS

Date: April 21, 2020 File No: 13-6630-01-0001/2020

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Director, Planning and Development, and the Corporate Officer, dated April 21, 2020, entitled "COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process":

THAT staff be directed to bring forward minor development applications for Council consideration and seek direction to waive public hearings and public meetings (Option A);

THAT the hiatus on public consultation for larger development applications be maintained for a further 30-day period (Option A);

AND THAT staff be directed to develop and implement alternative methods of gathering public feedback on development applications.

BACKGROUND

Since early March 2020, due to COVID-19, public consultations and engagements have been temporarily suspended in the City of North Vancouver, and similar measures have been enacted in most other municipalities. This includes those consultations that form part of the routine process for development applications, such as rezoning applications. Council consideration of development applications (i.e. introduction of bylaws, public meetings or public hearings) has also been on hiatus during this time, while the City has focused on immediate matters arising from the COVID-19 response.

On March 26, 2020, Provincial Order M083 was enacted, which enabled municipalities to hold meetings without public attendance and by electronic means. Order M083 did not include a provision for online or virtual public hearings. Further guidance with respect to conducting public hearings during the COVID-19 crisis has been requested by municipalities and an Order is hoped to be received from the Province in the coming weeks.

DISCUSSION

Current Development Review Process

The City's normal development application review process includes a number of opportunities for public input and review as follows:

- **Early Consultation** – applicants are encouraged to notify neighbours and discuss their application before lodging it with the City (typically includes mail-drop or door knocking);
- **Development Information Sessions** – an open-house format meeting, held by the developer shortly following initial submission of a development application;
- **Town Hall Meeting** – a formal session held by the developer and facilitated by a third party, held later in the developer application process before Council consideration and required for applications for Official Community Plan amendment;
- **Written Feedback and Online Information** – ongoing feedback is received by the Planning file lead throughout the application process and summarized; for larger applications, reports and documents relating to the application are posted online for public viewing;
- **Public Hearing or Meeting** – while the aforementioned opportunities for input are not legislatively required and have been enacted by the City as enhancements to the public engagement process, public hearings are required by legislation. For all rezoning applications, Council must hold a public hearing, or, if the application is consistent with the Official Community Plan, choose to waive the public hearing. No zoning amendment application can proceed to final adoption until this step has been completed.

This public input process for development applications is similar in most municipalities.

The City's process provides a number of early and ongoing opportunities for public notification and consultation, beyond the legislative requirements. These augmented consultation steps have been in place to address some of the shortcomings of the public hearing process, which has been critiqued by both applicants and citizens. Challenges that have been noted with the public hearing format that have been noted include that public hearings:

- Occur late in the review process thereby limiting the ability for changes to occur;
- Often do not represent the broad perspective of the community or those who would be the most directly impacted by a decision, and tend to attract and empower well-organized interest groups;
- Can add cost and delay to project processing.

These challenges are outlined in greater detail in the Province's Development Approvals Process Review report of September 2019, which include a high priority recommendation to review the public hearing process to enable more effective public engagement. While the Province has yet to outline potential alternative approaches to public hearings, temporary measures enacted by municipalities to sustain public engagement during the COVID-19 pandemic have the potential to inform more permanent changes to improve the process.

Considerations

With all of the above public consultation steps on hiatus (including both the City's enhanced consultation opportunities and the statutory responsibilities), the City is able to proceed with some aspects of development review, but cannot advance in-process applications once they reach these public milestones. A number of in-process development applications have already completed all of the early consultation steps (Developer Information Session, etc.) and are seeking direction with regard to the Council process.

In determining whether and how to reinstate the public process for development applications during the COVID-19 crisis, there are a number of key factors for consideration:

Community Factors

- The public may be challenged to participate in public consultation at this time, given the disruptions that many are facing;
- Council capacity to schedule hearings and contemplate public input may be limited by the crisis response;
- Online and digital engagement are not accessible to all;
- A prolonged hiatus would result in a delay for applications that address critical community needs, including childcare and affordable housing.

Economic Factors

- A prolonged hiatus in application processing has the further potential to result in a curtailment of future construction activity, as there would be a gap in new projects coming forward for construction permits. This could compound economic hardship and reduce the number of construction jobs in the City (residential construction is one of the largest business sectors in the City of North Vancouver, estimated by the Canadian Home Builders' Association to employ 5,200 people);
- Increased processing times for applications results in increased costs. Given the economic uncertainty in the current environment, a prolonged delay in processing could jeopardize some projects;

- Backlog of applications due to time waiting for public hearings to be scheduled would create pressure in the future for staff to expedite subsequent permits. This would particularly relate to building permits as the public hearings occur and zoning bylaw amendments are completed.

Given these factors, recommendations intended to balance the need for meaningful public consultation with other community and economic considerations are outlined below.

OPTIONS

Option A (Recommended) – *Proceed with Minor Applications and Maintain Hiatus for Larger Applications for 30 Days*

This option would enable the immediate consideration of smaller development applications, while planning for a modified public process for larger applications beginning in June, 2020, as outlined below.

Minor Applications – Waived Public Hearings/Meetings

Under this option, development applications that result in four units or fewer and are consistent with the OCP, Development Variance Permits and Temporary Use Permits, would be received by Council for consideration. Public hearings or public meetings would be waived and public input received through written submissions would be compiled for Council consideration. A Council resolution waiving the public hearing or public meeting would be required for each application considered.

To ensure the public has access to documentation pertaining to the proposals, webpages would be created for all forthcoming applications of this type (development webpages are currently only created for larger applications). These pages would include information on how to submit feedback on the applications for Council consideration.

Larger Applications – On Hiatus until June 2020

Under this option, the public process for development applications that result in the creation of five units or greater, that require an OCP amendment, which result in significant new commercial or industrial floor area, or which propose a significant change of use, would continue to be on hiatus, with a planned reactivation of these processes in June 2020. This includes both Council consideration (introduction and first and second readings of bylaws) and public hearings, as well as Town Hall Meetings and Developer Information Sessions.

Through May 2020, staff would develop alternative strategies for on-line public consultation and monitor forthcoming guidance from the Province. This could include using the City's "Let's Talk CNV" consultation platform to present information and manage public input on in-stream development applications. Information gathered would be summarized for Council consideration. The ability to call-in or submit videos for formal public hearings, as the City of Vancouver has implemented, would also be further explored in consultation with the Province.

Option B – Consider Applications, but Do Not Advance to Public Hearing

This option would see all development application types come forward for Council consideration (i.e. introduction and first and second readings of bylaws). Applications that receive consideration would be then be placed in the queue for public hearing once a modified public hearing process for all application types is developed and enacted.

Option C – Extend Public Input Hiatus for All Applications until June 2020

Under this option, Council would maintain the existing hiatus on conducting a public process for all development applications through to at least June 2020. The suspension of public process would be revisited in June to determine next actions based on Provincial guidance and the status of the COVID-19 response at that time.

FINANCIAL IMPLICATIONS

An extended delay in processing development applications would further increase uncertainty surrounding future Construction Permit revenues and developer contributions from Development Cost Charges and Community Benefits Contributions.


INTER-DEPARTMENTAL IMPLICATIONS

This report was prepared jointly by Planning and Development and City Clerk's and has been reviewed by Communications.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

This report aligns with Council's Strategic Plan to be a City for People and a Vibrant City, as we modify our way of doing business due to the COVID-19 pandemic to continue to meet housing needs and provide services and amenities to the community.

RESPECTFULLY SUBMITTED:



Michael D. Epp, MGP, RPP
Director, Planning and Development



Karla Graham, MMC
Corporate Officer

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BACKGROUND

April 14, 2020

- This Notice of Motion is being advanced in an attempt to help support homeowners across our City who may face difficulty paying their property taxes this year.
- The motion builds on and supports work that Mayor Buchanan has done with the Metro Vancouver Mayors through their [letter](#) to the Province on March 23, 2020.
- The Federal and Provincial Governments have done much to support businesses, renters, and more vulnerable populations, and still more work is needed.
- **Homeowners already teetering on the edge of financial sustainability after more than a decade of an affordability crisis in Metro Vancouver are at risk.**
 - Increases in maintenance fees and insurance rates for homeowners of all types, but especially strata homeowners mean consequences may be severe.
- There may be extreme long-term economic consequences if we do not act now to encourage the Provincial government to support homeowners by allowing an **expansion of the already effective B.C. Property Tax Deferral Program for the 2020 year.**
 - This program can be quickly expanded because it already exists and only the criteria for eligibility would need to change.
 - The program currently supports 57,000 seniors across BC and enables the deferral of \$208 million per year.
 - If expanded it is unlikely that all British Columbians would leverage the new option, however, those that need it would have that option. There is very little risk to the Province as the dollar value of one year of property taxes is far below the value of a property, and loan repayment occurs upon sale of the property or sooner at the homeowner's discretion.
 - Even a partial expansion of the deferral program for 2020 property taxes to those that can prove they need help would greatly benefit our City's residents and the Provincial economy in general.
- Challenging and uncertain times demand intelligent measures that can be implemented quickly based on existing programs that are low cost and low risk.
- Let's act now and together to encourage the Province to support homeowners in British Columbia who need this assistance.

March 23, 2020

Hon. Premier John Horgan
West Annex Parliament Buildings
501 Belleville St.
Victoria, BC V8V 1X4

Hon. Minister Selina Robinson
Room 310 Parliament Buildings
501 Belleville St.
Victoria, BC V8V 1X4

RE: Local Government Collaboration and Support with Provincial Government

Dear Premier Horgan and Minister Robinson:

As Metro Vancouver Mayors' we would like to start by thanking the provincial government for their demonstrated leadership in moving quickly to respond to the current COVID-19 pandemic in protecting the health of our citizens and the whole of British Columbia.

As Local Mayors the health of our residents is a top priority and we are committed to working collaboratively within our individual municipalities, and with one another to enforce the directives by Dr. Bonnie Henry under the Public Health Emergency and by Minister Farnworth under the Provincial State of Emergency. Over the last several weeks our communities have been putting business continuity plans in place, standing up our Emergency Management Organizations (EMOs) and coordinating multiple sectors.

We know things will be ever evolving and our way of business and life in our communities has changed and will continue. We are committed to working with senior levels of government with other top priorities that are emerging due to COVID-19, one being the economic impact that will be very real for many people, including local government.

Over the past week through both the Federation of Canadian Municipalities (FCM) and the local Inter-governmental Finance Working Group, staff and elected officials, have been discussing the projected financial shortfalls local governments will experience directly related to the municipal response to COVID-19.

This discussion included the impact this pandemic is having and will continue to have on our residents and businesses. To successfully navigate the impacts for local government, residents and businesses, provincial and federal support targeted specifically for municipal issues is required.

To date, the federal government has announced key financial supports to citizens, workers and businesses and we would like to see a similar response from the provincial government. In particular, we urge the Province to:

1. Expand the Provincial Property Tax Deferment Program (PPTDP) to include all property owners, including residential, business and non-profits
2. Standardize and extend the due date for other tax authority levies
3. Provide support to all renters and landlords, and
4. Provide direct, unconditional grants to cover revenue losses

We know the province is working on these issues but we need to move as quickly as possible to address the extreme financial pressures citizens and businesses in our communities are facing and will continue to have. Solid supports are needed to reduce the anxiety and stress and ensure we have a strong foundation for a full recovery once this crisis has passed.

Each of the requests are discussed in detail below:

1. Expand the Provincial Property Tax Deferment Program (PPTDP) to include all property owners, including residential, business and non-profits

Many of us have already started to hear from residents, small business owners and non-profit organizations that are unable to pay their rent or tax payments.

They need measures now to survive this crisis. Expanding the existing PPTDP to cover all residents, businesses and non-profits would provide some piece of mind and could save many businesses from closing permanently. This action is needed without delay. Some of these businesses and non-profits provide important services that must remain available during this crisis.

This makes sound economic sense because these fully secured loans pose minimal risk to the Province, and can be extended over a period of time to ease the liquidity crunch, help stimulate consumption, will rebuild local economies, provide a social safety net, and avoid municipal property tax system disruptions.

For business properties it is important that the Province implement measures to ensure that the benefits provided by this program are passed on to tenants.

2. Standardize and extend the due date for other tax authority levies

Local governments collect taxes according to set dates on behalf of other taxing authorities such as the Province, TransLink, Metro Vancouver and other regional bodies.

Under current rules and legislation, if a local government was to delay municipal tax and OTA levies collection it would still be responsible for the payment of millions of dollars in OTA levies, which most local government are unable to absorb. Provincial action to extend these dates would enable local governments to extend payment due dates to all property owners.

3. Provide support to all renters and landlords

Many individuals will lose income and be unable to work during the COVID-19 pandemic. Evictions should be prohibited. Rather, to ease the burden of paying rent, the Province should augment Federal Government support to those in financial difficulty to help pay rent, particularly in Metro Vancouver where rental fees are high. Ensuring rent payments ensures that small landlords with mortgage helpers are able to maintain their homes.

4. Provide direct, unconditional grants to cover revenue losses

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It would be most helpful to have this information in practical terms then forwarded onto our EMO, with the specific tactics that local government must implement, and under whose authority they fall. We are currently looking at setting up weekly conference calls amongst the Metro mayors to coordinate actions and maintain clear communications. We would welcome discussing this further with you.

To conclude, as Mayors' in the Metro Vancouver region we want to assure to both of you that we want to work collaboratively with your government for the betterment of our residents and business community.

This is a stressful and trying time for us all. It is truly our moment to stand together. We know that by working together, along with the federal government, we can ensure that we give British Columbia residents the best chance of limiting the impact of this pandemic.

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