

AGENDA ADDENDUM

COMMITTEE OF THE WHOLE

Tuesday, April 8, 2014

6:00 p.m.

Committee Room, Municipal Hall

355 West Queens Road,

North Vancouver, BC

Council Members:

Mayor Richard Walton

Councillor Roger Bassam

Councillor Robin Hicks

Councillor Mike Little

Councillor Doug MacKay-Dunn

Councillor Lisa Muri

Councillor Alan Nixon



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355 West Queens Road, North Vancouver

AGENDA ADDENDUM

3. REPORTS FROM COUNCIL OR STAFF

3.1. 2014 Tax Distribution
File No.

Presentation: Nicole Deveaux, General Manager – Finance & Technology

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2014 Tax Distribution Workshop

April 8, 2014

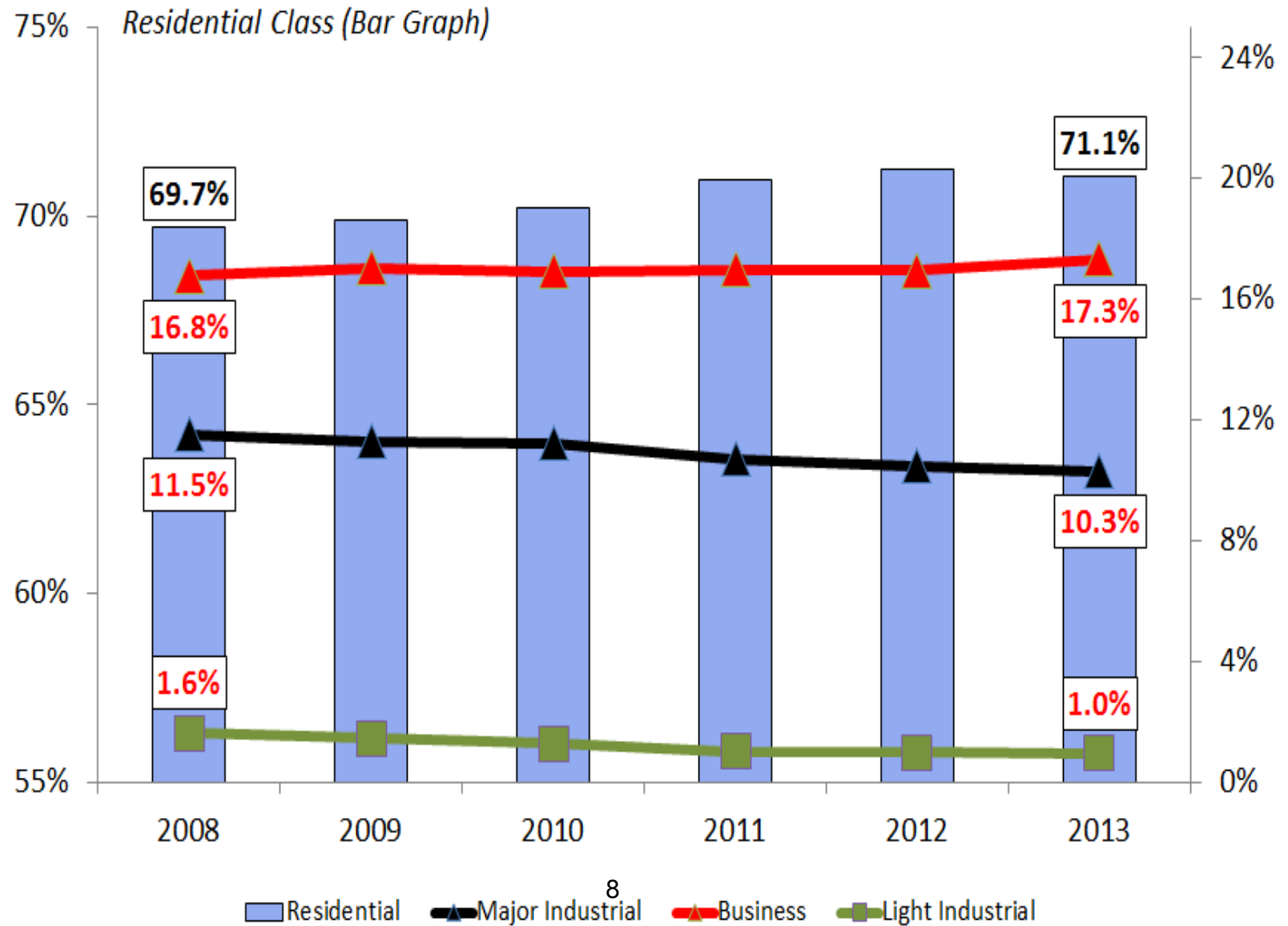
Outline

1. Tax Strategy Recap
2. Understanding the Tax History
 - % Share
 - % Allocation
 - Tax Rate
3. Assessment Roll
4. Allocation Options
5. Final Comments

Tax Strategy Recap

- ▶ Harmonizing tax rates with either:
 - ▶ the average for the region or
 - ▶ the capped rate (if applicable)
- ▶ Use New Investments as the tool to reduce Heavy Industry tax rate
- ▶ Shifting taxes between classes where the tax base for a property class is too small to be corrected by New Investments alone

History - % Share of Tax Burden



History - % Allocation of Tax Increase

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Tax Increase	4.25%	3.00%	3.00%	2.00%	2.50%
<u>Allocation</u>					
Residential	4.50%	3.24%	3.50%	2.22%	2.50%
Business	4.25%	3.00%	3.00%	2.00%	2.50%
Major Industry Noncapped	4.25%	Average (3.42%) reduction			
Light Industry	Average (11.07%) reduction				2.50%

History - Tax Rates

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	2013 Regional Aves
Residential	\$ 2.45	\$ 2.60	\$ 2.47	\$ 2.36	\$ 2.37	\$ 3.26
Major Industry	47.62	44.39	42.49	41.17	36.77	28.35
Light Industry	25.28	22.58	21.72	19.53	10.91	11.93
Business	9.16	8.63	8.84	8.54	8.60	10.25

Heavy Industry is still work-in-process

Assessment Roll (\$26.4B)

(in Millions)	<u>Market Change</u>	<u>Growth</u>	<u>Class Shift</u>	<u>Net Increase</u>
Residential	\$ (180.6)	\$ 272.2		\$ 91.6
Heavy Industry - Non-capped	14.1	19.5	25.1	58.7
Heavy Industry - Capped @ \$27.50	(0.0)	-	(23.6)	(23.6)
Heavy Industry - Capped @ \$22.50	(0.0)	-	(1.5)	(1.5)
Light Industry	0.4	-		0.4
Business	56.4	27.4		83.8
Other	2.7	0.4		3.1
Total 2014 Growth	\$ (106.9)	\$ 319.5	\$ -	\$ 212.6

Investments in Heavy Industry is an opportunity to achieve our tax competitiveness strategy

Heavy Industry (Non-Capped)

(in Millions)	<u>Market Change</u>	<u>New Construction</u>	<u>Class Shift</u>	<u>Net Increase</u>
2014 Increases	\$ 14.1	\$ 19.5	\$ 25.1	\$ 58.7
<u>By Company</u>				
Seaspan	\$ 2.6	\$ 11.3		\$ 13.9
Fiberco			25.1	25.1
Canexus	5.8	7.8		13.6
Other	5.7	0.3		6.0
	\$ 14.1	\$ 19.5	\$ 25.1	\$ 58.7

Allocation Options

Tax Rates (Heavy Industry)

		<u>\$28.35</u>	<u>\$27.50</u>	<u>\$28.76</u>
		Harmonize to Metro Average	Harmonize to PPTA Capped	Normalize Residential
		<u>"A"</u>	<u>"B"</u>	<u>"C"</u>
<u>Tax Increase</u>	Residential	2.35%	2.57%	2.25%
	Heavy Ind - NC	5.06%	1.91%	5.54%
	Light Industry	2.50%	2.50%	2.50%
	Business	2.50%	2.50%	2.50%

Tax Rate Bylaw

- ▶ “That Staff be directed to prepare the 2014 Tax Rate Bylaw in accordance with the option chosen”

	Harmonize to Regional <u>Average</u>	Harmonize to PPTA <u>Capped</u>	Normalize Residential	2013 Regional <u>Averages</u>
Options	<u>"A"</u>	<u>"B"</u>	<u>"C"</u>	
Residential	\$ 2.44355	\$ 2.44875	\$ 2.44107	\$ 3.26000
Heavy Ind - NC	28.35000	27.50000	28.75593	28.35000
Light Industry	11.12193	11.12193	11.12193	11.93000
Business	8.52036	8.52036	8.52036	10.25000

Final Comments

- ▶ Tax Competitiveness goal is attainable
- ▶ Heavy Industry Tax rate dropped 38% since 2008
- ▶ 2014 Heavy Industry Tax rate below 2013 NV City and Vancouver
- ▶ Residential Class tax increase can be less than 2.5%
- ▶ All property classes below Average for Metro Vancouver

► The end