

**DISTRICT OF NORTH VANCOUVER
COUNCIL WORKSHOP**

Minutes of the Council Workshop for the District of North Vancouver held at 7:01 p.m. on Tuesday, April 19, 2022 in the Council Chamber of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

Present: Mayor M. Little
Councillor M. Bond
Councillor M. Curren
Councillor B. Forbes
Councillor J. Hanson
Councillor L. Muri

Absent: Councillor J. Back

Staff: Mr. D. Stuart, Chief Administrative Officer
Mr. G. Joyce, General Manager – Engineering, Parks and Facilities
Mr. D. Milburn, General Manager – Planning, Properties and Permits
Ms. S. Walker, General Manager – Corporate Services
Mr. A. Wardell, General Manager – Finance and Chief Financial Officer
Mr. J. Gordon, Manager – Administrative Services
Mr. E. Iorio, Manager – Financial Services
Mr. D. So, Section Manager – Revenue & Taxation
Ms. K. Hebron, Confidential Council Clerk
Ms. E. Allen, Committee Clerk

1. ADOPTION OF THE AGENDA

1.1. April 19, 2022 Council Workshop Agenda

MOVED by Councillor HANSON

SECONDED by Councillor CURREN

THAT the agenda for the April 19, 2022 Council Workshop is adopted as circulated, including the addition of any items listed in the agenda addendum.

CARRIED

2. ADOPTION OF MINUTES

With the consent of Council, Mayor Little varied the agenda as follows:

4. PUBLIC INPUT:

4.1 Mr. Jamie O'Connell:

- Spoke on behalf of Allied Ship Builders as the Financial Manager;
- Mentioned correspondence was sent to Council on April 13, 2022;
- Noted that in 2021 Class 4 Major Industry made up 1.3% of the total assessed property values, and contributed to 10% of the District of North Vancouver's taxation revenue;
- Expressed concern that Allied Ship Builders is paying more than their fair share;
- Opined that Council should select Option 1 in regards to item 3.1; and,

- Suggested the District of North Vancouver work with BC Assessment and Allied Ship Builders to rectify taxation rates.

4.2 Mr. Hazen Colbert:

- Opined he is being watched by a member of Council after an incident that occurred on April 13, 2022.

4.3 Mr. Peter Teevan:

- Commented on the need to redistribute taxation rates for struggling businesses without placing more strain onto tax payers;
- Opined that the District should take any savings from COVID-19 in order to create a reduction in taxation rates for businesses; and,
- Suggested all levels of government should charge the minimal amount of tax to operate.

3. REPORTS FROM COUNCIL OR STAFF

3.1 2022 Property Tax Increase Distribution Options

File No.

Mr. Andy Wardell, General Manager – Finance and Chief Financial Officer, provided an introduction and noted that the purpose of the Council Workshop is to set the tax rates based on the 3% property tax increase approved by Council in the 2022 Financial Plan.

Mr. Elio Iorio, Manager – Financial Services, provided a presentation reviewing the current tax strategy, stating the District of North Vancouver's tax rates have been below the regional average for the past four years. Mr. Iorio outlined the consideration of current circumstances and relevant provincial legislation which could impact the distribution of the tax increase, and suggested these were best reviewed to ensure the tax strategy maintains equity and fairness. Mr. Iorio discussed the increasing need for family housing along with the increase in demand for housing on the North Shore as the District of North Vancouver assessment valuations in the residential class have increased 20% on average. Mr. Iorio commented that within the commercial class, highest and best use valuations for property assessments continue to impact business operators in underdeveloped properties, noting municipalities are prohibited by the *Community Charter* from providing assistance to businesses, however, are able to redistribute tax burden at the class level. Mr. Iorio discussed the impacts of the *Ports Property Tax Act*, recognizing the inequality within the Major Industrial Class, which continues to pose financial risk to the District of North Vancouver as the majority of uncapped properties appeal their assessment valuations.

Mr. Iorio provided Council with two options for property tax distribution:

- Option 1 (Recommended);
 - Across the board – apply the approved 3% tax rate increase evenly across all Classes;
- Option 2
 - Major Industry Levy full 3% on base taxes for entire class; and,
 - Capped properties at 2.26%.

Council discussion ensued and the following comments and concerns were noted:

- Identified the difference in the amount of Major Industry uncapped properties in the City of North Vancouver and District of North Vancouver;
- Expressed preference for Option 1 as it responds to the priority set by Council;
- Noted amendments were made in 2000 to reduce uncapped properties rate of taxation to keep it below 27.50%;
- Stated the assessment system has increased the value of uncapped properties at a significant rate;
- Noted the *Ports Property Tax Act* creates disparity and inequity for uncapped properties;
- Opined the need for the implementation of a split class tax for small businesses;
- Opined the highest and best use policy hinders businesses and only benefits the provincial government;
- Suggested it would be helpful to determine how much each individual property in the District of North Vancouver is contributing to municipal taxes in order to compare rates within the province;
- Commented on the gradual decrease of the Major Industry Class' tax burden;
- Commented on the imbalance of assessments, particularly in the residential class;
- Acknowledged finance reform, taxation reform and assessment reform as priorities of the province;
- Acknowledged the burden renters face in the residential and business classes;
- Commented on the Provincial Government referring to proposed land use maps in order to determine highest and best use;
- Commented on how highest and best use policy negatively impacts businesses; and,
- Encouraged the District of North Vancouver staff to continue working with the Provincial Government to try and find a solution.

In response to a question from Council, staff advised that the ongoing rate for Major Industry uncapped properties in the City of North Vancouver is 27.50% due to the majority of the properties within their class 4 being capped properties, whereas in the District of North Vancouver, there is more of an even split between capped and uncapped properties.

In response to a question from Council, staff advised that the value per acre for non-capped properties averages between \$4,000,000-\$5,000,000, whereas the value per acre for capped properties averages at \$350,000.

In response to a question from Council, staff advised that in the previous year, 2021, the option for even distribution was chosen by Council.

In response to a question from Council, staff advised that in 2021, 3600 residential properties applied for property tax deferral, and noted the rates of deferral increase roughly 2%-5% per year.

In response to a question from Council, staff advised that there is not a significant increase in property tax deferrals as a result of COVID-19.

In response to a question from Council, staff advised that the Small Business Tax Regional Working Group is in discussions with the Provincial Government in order to

obtain workable solutions for the business class regarding assessment value and highest and best use.

In response to a question from Council, staff advised that one of the major pressures on small businesses are the other taxing jurisdictions as there is one tax rate for the province, and with the increase of valuations in the lower mainland, taxes gravitate to the Lower Mainland.

In a response to a question from Council, staff advised that the business tax rate in 2021 was \$3.86 per \$1000 for school taxes, whereas the residential rate was \$1.02.

In response to a question from Council, staff advised that in Metro Vancouver, the business tax rate for school taxes is 14¢, and the residential rate is 6¢.

In response to a question from Council, staff advised that anywhere from 150 - 300 properties are affected by some type of redevelopment capability when it comes to highest and best use.

In response to a question from Council, staff advised that, regarding tax burden per class as of 2021, the residential class averages 71%, utilities class averages 1.5%, non-capped properties average 6%, capped properties/major industry average 4%, investments from capped properties averages 0.33%, light industry averages 0.9%, and the business class averages 16.7%.

In a response to a question from Council, staff advised that in March 2020, the Province introduced the *Municipal Enabling and Validation Act*, which was not acquired by any municipalities.

MOVED by Mayor LITTLE

SECONDED by Councillor HANSON

THAT 2022 Property Tax Increase Option 1 (Even Distribution) is endorsed;

AND THAT staff are directed to bring forward a 2022 Tax Rates Bylaw reflecting Option 1 for adoption prior to the May 15, 2022 deadline.

CARRIED

5. ADJOURNMENT


MOVED by Councillor HANSON

SECONDED by Mayor LITTLE

THAT the April 19, 2022 Council Workshop is adjourned.

CARRIED
(8:08 p.m.)



Mayor

Municipal Clerk