Revenue and Tax Policy Benchmarks and 2018 Tax Rates

Purpose

• To provide updated benchmark measures related to the City’s Revenue and Tax Policy
• To seek direction on 2018 tax rates
Council Direction

- Policy updated in 2015 to maintain the current share of property tax distribution among property classes
- Report back on benchmarks annually
**Benchmark: Share of Taxes**

Comparison of Tax share to Improvement Ratio

- Victoria
- Langley City
- Nanaimo
- Richmond
- Vancouver
- Prince George
- Nanaimo
- Burnaby
- North Vancouver City
- Langford
- Kelowna
- Coquitlam
- Saanich

**Benchmark: Business Tax Ratio and Rate**

Municipal Business Tax Rate 2017

- Prince George
- Nanaimo
- Burnaby
- Richmond
- Victoria
- New West
- Victoria
- Coquitlam
- Abbotsford
- Langley District
- Langley City
- Delta
- Surrey
- North Vancouver City
- North Vancouver District
- Surrey
- Vancouver

Business Class Tax Ratio - 2017

- Coquitlam
- Burnaby
- Vancouver
- North Vancouver City
- New West
- Langley District
- Richmond
- Delta
- Surrey
- North Vancouver City
- North Vancouver District
- Surrey
- Vancouver

Revenue and Tax Policy Benchmarks and 2018 Tax Rates
Benchmark: Business Tax Ratio and Rate

Municipal Residential Taxes per Capita - 2017

Benchmark: Building Permits

Value of Commercial Building Permits - Victoria as a share of CRD
Revenue and Tax Policy Benchmarks and 2018 Tax Rates

**Benchmark: Vacancy Rates**

![Vacancy Rates - Office Buildings (Colliers)](image)

![Retail Vacancy Rates (Colliers)](image)

**Tax Rate Option 1: Equalize tax increase, industrial same as business** *(current tax policy)*

<table>
<thead>
<tr>
<th>Type</th>
<th>Tax Ratio</th>
<th>Tax Share on Exceeding NMC</th>
<th>Tax Rate</th>
<th>Tax Change</th>
<th>2017 Tax Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.0000</td>
<td>51.07%</td>
<td>3.2448</td>
<td>2.60%</td>
<td>3.6649</td>
</tr>
<tr>
<td>Utility</td>
<td>10.3265</td>
<td>0.45%</td>
<td>33.5070</td>
<td>2.60%</td>
<td>34.8127</td>
</tr>
<tr>
<td>Major Industrial</td>
<td>3.6361</td>
<td>0.11%</td>
<td>11.7983</td>
<td>-2.92%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>3.6361</td>
<td>0.69%</td>
<td>11.7983</td>
<td>5.02%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Business</td>
<td>3.6361</td>
<td>47.48%</td>
<td>11.7983</td>
<td>2.60%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Rec/Non Profit</td>
<td>2.4797</td>
<td>0.02%</td>
<td>8.0460</td>
<td>2.60%</td>
<td>7.3998</td>
</tr>
</tbody>
</table>

Average residential property ($743,000 assessed value) increase of $61

Typical business property ($585,000 assessed value) increase of $175
### Tax Rate Option 2: Equalize tax increase, for all classes (tax policy prior to 2007)

<table>
<thead>
<tr>
<th>Class</th>
<th>Tax Ratio</th>
<th>Excluding NMC</th>
<th>Tax Rate</th>
<th>Tax Change</th>
<th>2017 Tax Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.0000</td>
<td>51.09%</td>
<td>3.2453</td>
<td>2.62%</td>
<td>3.6649</td>
</tr>
<tr>
<td>Utility</td>
<td>10.3275</td>
<td>0.45%</td>
<td>33.5157</td>
<td>2.62%</td>
<td>34.8127</td>
</tr>
<tr>
<td>Major Industrial</td>
<td>3.8430</td>
<td>0.11%</td>
<td>12.4716</td>
<td>2.62%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>3.5325</td>
<td>0.67%</td>
<td>11.4640</td>
<td>2.62%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Business</td>
<td>3.6359</td>
<td>47.48%</td>
<td>11.7995</td>
<td>2.62%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Rec/Non Profit</td>
<td>2.4797</td>
<td>0.20%</td>
<td>8.0473</td>
<td>2.62%</td>
<td>7.3998</td>
</tr>
</tbody>
</table>

Average residential property ($743,000 assessed value) increase of $61  
Typical business property ($585,000 assessed value) increase of $176

### Tax Rate Option 3: Maintain business tax share at 48%, excluding NMC (tax policy 2012-2014 was to reduce to 48%)

<table>
<thead>
<tr>
<th>Class</th>
<th>Tax Ratio</th>
<th>Excluding NMC</th>
<th>Tax Rate</th>
<th>Tax Change</th>
<th>2017 Tax Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.0000</td>
<td>50.55%</td>
<td>3.2111</td>
<td>1.54%</td>
<td>3.6649</td>
</tr>
<tr>
<td>Utility</td>
<td>10.3268</td>
<td>0.44%</td>
<td>33.1606</td>
<td>1.54%</td>
<td>34.8127</td>
</tr>
<tr>
<td>Major Industrial</td>
<td>3.7150</td>
<td>0.11%</td>
<td>11.9293</td>
<td>-1.84%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>3.7150</td>
<td>0.70%</td>
<td>11.9293</td>
<td>6.79%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Business</td>
<td>3.7150</td>
<td>48.00%</td>
<td>11.9293</td>
<td>3.74%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Rec/Non Profit</td>
<td>2.4797</td>
<td>0.20%</td>
<td>7.9626</td>
<td>1.54%</td>
<td>7.3998</td>
</tr>
</tbody>
</table>

Average residential property ($743,000 assessed value) increase of $36  
Typical business property ($585,000 assessed value) increase of $252
Tax Rate Option 4: Hold ratios same as 2017 (tax policy for business ratio 2007-2011)

<table>
<thead>
<tr>
<th></th>
<th>Tax Ratio</th>
<th>Tax Share Excluding NMC</th>
<th>Tax Rate</th>
<th>Tax Change</th>
<th>2017 Tax Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.0000</td>
<td>52.77%</td>
<td>3.3527</td>
<td>6.01%</td>
<td>3.6649</td>
</tr>
<tr>
<td>Utility</td>
<td>5.4990</td>
<td>0.43%</td>
<td>31.8469</td>
<td>-2.49%</td>
<td>34.8127</td>
</tr>
<tr>
<td>Major Industrial</td>
<td>3.3992</td>
<td>0.10%</td>
<td>11.3964</td>
<td>-6.23%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>3.3992</td>
<td>0.67%</td>
<td>11.3964</td>
<td>2.02%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Business</td>
<td>3.3992</td>
<td>45.86%</td>
<td>11.3964</td>
<td>-0.89%</td>
<td>12.4577</td>
</tr>
<tr>
<td>Rec/Non Profit</td>
<td>2.0191</td>
<td>0.17%</td>
<td>6.7694</td>
<td>-13.68%</td>
<td>7.3998</td>
</tr>
</tbody>
</table>

Average residential property ($743,000 assessed value) increase of $141
Typical business property ($585,000 assessed value) decrease of $60