



Committee of the Whole Report

For the Meeting of June 21, 2018

To: Committee of the Whole
From: Susanne Thompson, Director of Finance
Subject: Permissive Exemption Policy – Parking Lots

Date: June 8, 2018

RECOMMENDATION

That Council receive this report for information.

EXECUTIVE SUMMARY

The City has established a Permissive Tax Exemption Policy that provides detailed direction for Council to consider when granting permissive tax exemptions in accordance with the *Community Charter*.

In March of 2017, Council gave further consideration to this policy, and directed staff to report back on the feasibility of expanding the supply of parking Downtown through amendments to the Permissive Tax Exemption Policy relating to parking lots and as part of the Sustainable Mobility Strategy. This report provides interim information on these parking lots ahead of Council's consideration of permissive exemption applications for 2019.

The policy already excludes commercial activities that are not considered ancillary to the use of the property. To date, revenue-generating parking lots have been considered ancillary use since the revenue is used to fund the non-profit organizations' activities and have therefore been allowed an exemption.

Twenty-seven currently permissively exempted properties in the Downtown or near Downtown have some parking available, totalling approximately 700 spots (ranging from 4 to 156 spots). The majority of those locations have less than 20 spots. Over 200 spots are already offered broadly to the public, and others may also provide monthly parking in addition to parking for their employees and volunteers. All parking lots are currently being used for parking.

Staff recommend awaiting the outcome of the Sustainable Mobility Strategy prior to considering a policy change around these parking lots. Should Council wish to make changes to the policy based on the information presented in this report, a motion outlining the desired changes would accomplish this. Consultation with the impacted properties would be recommended before any changes are made.

PURPOSE

The purpose of this report is in response to Council's direction to bring forward information regarding the feasibility of expanding the supply of parking Downtown and in the vicinity of Downtown through amendments to the Permissive Tax Exemption Policy relating to parking lots and as part of the Sustainable Mobility Strategy.

BACKGROUND

The *Community Charter* provides authority, under certain circumstances, by bylaw, to exempt land, improvements or both, for charitable and philanthropic organizations. The City provides exemptions through annual permissive exemption bylaws in accordance with the City's Permissive Exemption Policy attached as Appendix A. On March 9, 2017, during a review of potential Permissive Tax Exemption Policy amendments, Council passed the following motion:

"That Council direct staff to report back on the feasibility of expanding the supply of parking Downtown and in the vicinity of Downtown through amendments to the Permissive Tax Exemption Policy relating to parking lots and as part of the Sustainable Transportation Strategy."

Based on the discussion at the time, staff have identified the currently exempted properties where parking spaces exist and where the parking space portion of the land could potentially be changed to taxable.

The current policy evaluation categories provide exemptions for all land surrounding properties providing supportive services for members of the community, including seniors, children, persons with disabilities, veterans and churches. The current policy exempts both revenue and non-revenue generating parking lots.

ISSUES & ANALYSIS

The goal to increase the parking supply through eliminating the permissive tax exemption for parking lots requires careful consideration and further analysis to ensure that such a change would actually increase the supply. Staff's interim analysis shows that all lots are currently being used for parking and some are offered publicly already.

While limiting exemptions can typically be done relatively easily by simply excluding a percentage of a property, in this instance a number of relevant considerations for Council's awareness are outlined below.

Parking Stall Assessment Information

Property assessed value information relating to all parking stalls is required in order to determine the financial impact associated with amending the Permissive Tax Exemption Policy. At this time, comprehensive parking stall assessment information is not available since not all parking lots are separately identified by BC Assessment. The process to do so is manual and would be time consuming for BC Assessment staff and therefore an administration fee would likely apply. Depending on the scope, BC Assessment staff also advised that this may result in regular assessment work for the City being deferred.

Consultation

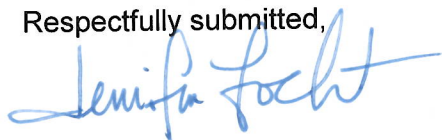
Consultation with non-for-profit owners who typically receive an exemption would be important in

the event of a permissive exemption policy amendment. While some organizations might be open to offering metered parking to the public, others may not. It is possible that revenues would not cover the expenses related to parking administration and additional property taxes incurred as a result of policy change.

CONCLUSION

Further analysis is recommended before any policy changes are made, including the completion of the Sustainable Mobility Strategy that will further define the long term management of the City's transportation infrastructure and assets.

Respectfully submitted,



Jennifer Lockhart
Manager-Revenue



Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:



Date:

June 15, 2018

ATTACHMENTS:

Appendix A: Permissive Tax Exemption Policy