



January 12, 2021

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Her Worship Mary-Ann Booth, Mayor
District of West Vancouver
mbooth@westvancouver.ca

Dear Mayor Booth:

Thank you for your letter sent on September 21, 2020, requesting that Government continue to work with municipalities and BC Assessment to implement split assessment through a commercial sub-class for 2021. As the newly appointed Minister of Finance, I am pleased to follow up on the response that was sent on October 26, 2020.

The Ministry, in consultation with the Intergovernmental Working Group (of which your City is a member) and other stakeholders, will continue to work on a long-term solution to the problem faced by commercial tenants who are struggling with large property tax increases due to rapidly rising assessments. The project will include consideration of a sub-class and other related initiatives, but it will take significant analysis and consultation to complete this work.

As I hope you can appreciate, a new sub-class or any other long-term solution needs to be considered within the context of the overall impact on both assessment and taxation. It is also critical that Government undertake comprehensive consultation throughout the province to ensure any solution can be applied broadly. As such, no changes will be introduced to the current property assessment system for the 2021 tax year.

I would encourage your municipality to consider using the Interim Business Property Tax Relief legislation that was introduced in March 2020. This program allows municipalities to exempt a portion of the assessed value of commercial properties most affected by high lease costs resulting from increased property values.

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The province has announced a total of \$10.35 billion in COVID-19 support to help people and businesses in B.C. recover and come out of this pandemic stronger and better prepared. This includes the measures outlined in our initial COVID-19 Action Plan and the recently announced Economic Recovery Plan, Stronger BC for Everyone, as well as the additional supports introduced as part of Premier John Horgan's throne speech delivered on December 7, 2020.

Thank you again for writing and sharing your feedback on how best to support B.C.'s business community through this challenging time.

Sincerely,

A handwritten signature in dark blue ink, appearing to read 'S. Robinson', is positioned above the printed name.

Selina Robinson
Minister of Finance



THE CORPORATION OF THE
DISTRICT OF WEST VANCOUVER
OFFICE OF THE MAYOR

September 21, 2020

Honourable John Horgan
Premier of British Columbia
PO Box 9041 Stn Prov Govt
Victoria, BC V8W 9E1

Honourable Carole James
Minister of Finance
PO Box 9048 Stn Prov Govt
Victoria, BC V8W 9E2

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

Dear Premier Horgan, Minister James and Minister Robinson:

RE: Split Assessment through a Commercial Sub-Class for 2021

On behalf of the District of West Vancouver council, I am writing to request that the Government of British Columbia continue to work with municipalities and the BC Assessment Authority, to implement split assessment through a commercial sub-class for 2021.

Independent small businesses are a fundamental part of the fabric of West Vancouver, and a key to preserving the livability of our community. The District of West Vancouver is very proud of the independent restaurants, stores, and other services that add so much to Ambleside, Dundarave, Horseshoe Bay, and other smaller areas of West Vancouver. However, for many years these businesses have been increasingly under financial pressure as property values have soared. We are very concerned, in the current climate, that these businesses are undergoing great stress, and that some of our oldest and most valued businesses may not survive. This can only exacerbate the pressure on business property owners to redevelop, which will put even greater pressure on the remaining small businesses if nothing is done to ameliorate the tax impact of unbuilt development potential.

The existing tax system burdens small businesses with the responsibility for taxes related to development potential. The small business tax measures that were proposed at the end of February 2020 did not allow targeting of businesses that are being affected disproportionately by this current system. We might also comment that the staff resources required to implement this measure seem excessive related to any benefit that would have resulted. In addition, we feel that the proposed provisions were both too general and too complex to be widely understood as helpful by the independent business community. We note that, in spite of our concerns around this issue, none of the affected communities implemented the proposed provisions in 2020, and it is very unlikely that we will do so in future, given the pressures of dealing with both the pandemic and the current economic climate.

A more workable solution is urgently needed. Implementing split assessment would enable local governments to very simply set a lower tax rate for the future development potential of a property. By separating residential and commercial values, split assessment would be transparent, and provide direct relief to those businesses with triple-net leases on developable properties which may be sold at inflated prices, but may not develop for many years. Throughout the affected communities, split assessment is widely seen as our shared path forward to creating a more prosperous Province for all.

I respectfully urge the Government of British Columbia to take swift action on split assessment through a commercial sub-class, and thank you in advance for your consideration.

Yours truly,



Mary Ann Booth
Mayor, District of West Vancouver

c.c. Bowinn Ma, MLA for North Vancouver-Lonsdale
Malcolm Brodie, Mayor of Richmond
George Harvie, Mayor of Delta
Richard Stewart, Mayor of Coquitlam
Mike Hurley, Mayor of Burnaby
Doug McCallum, Mayor of Surrey
Linda Buchanan, Mayor of City of North Vancouver
Kennedy Stewart, Mayor of Vancouver