CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date:	April 12, 2016
Contact:	Grace Cheng
Contact No.:	604.871.6654
RTS No.:	11299
VanRIMS No.:	08-2000-20
Meeting Date:	April 20, 2016

TO: Standing Committee on City Finance and Services

FROM: Director of Finance

SUBJECT: 2016 Property Taxation - Distribution of Property Tax Levy

RECOMMENDATION

THAT Council instruct the Director of Finance to calculate the 2016 general purpose tax rates for all property classes to achieve a tax distribution of approximately 53.8% residential and 46.2% non-residential.

REPORT SUMMARY

The purpose of this report is to seek Council approval of the distribution of the general purpose tax levy across property classes for the purpose of calculating the 2016 tax rates.

In 2007, the Property Tax Policy Review Commission ("PTPRC") recommended shifting $23.8 million in property taxes from non-residential to residential property classes at a rate of 1% of tax levy per year to achieve a target distribution of 52% residential and 48% non-residential; and holding the target tax share for five years unless the business tax differential between the City and its neighboring municipalities widened considerably, or the balance of business investment tilted away from Vancouver to other parts of Metro Vancouver. The program was completed in 2012.

In May 2013, Council reconvened the PTPRC to provide an updated assessment of the City's property tax policy. With regards to tax distribution, in its report to Council in February 2014, the PTPRC affirmed that there was no evidence of an increasing business tax differential or business investment moving to neighboring municipalities, and recommended no change to the tax share for Classes 5 and 6.

Based on the metrics presented in this report, no tax shift is recommended for 2016.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Section 219 of the *Vancouver Charter* requires that, by April 30, the Director of Finance submits to Council a report that sets out the distribution of the general purpose tax levy across property classes for that year.

It has been Council policy that the tax rates for Class 1, 8 and 9 and for Class 5 and 6 be calculated on a blended basis, which means the classes within these two groups are taxed at the same rate before application of land assessment averaging.

Since 1983, it has been Council policy to distribute the general purpose tax levy across property classes through a "tax share" approach under which the share of the levy collected from each property class remains constant over time, subject to adjustments arising from non-market changes on the *Assessment Roll* (e.g. transfer of properties among classes, new construction within each class) and Council decisions to adjust the tax share for each class. This approach ensures that tax share is set by Council policy, not driven by market forces. This policy was reaffirmed by Council in April 2005, and endorsed by the PTPRC in its 2007 review.

In 2007, the PTPRC provided a thorough review of the City's property tax policy. With regards to tax distribution, the PTPRC recommended shifting $23.8 million from commercial to residential property classes. The tax shift program was completed in 2012.

In 2013, Council reconvened the PTPRC to provide an updated assessment of the City's property tax policy. In 2014, Council adopted the majority of the PTPRC recommendations. In particular, Council instructed staff to implement the following with regards to tax share:

- maintain the current tax distribution; and
- incorporate the metrics recommended by the PTPRC into the City's economic performance evaluation framework to help guide future tax distribution decisions.

In December 2015, Council approved the 2016 Operating Budget of $1.26 billion of which $682.3 million is to be funded from general purpose tax levy.

In March 2016, Council adopted the *2016 Land Assessment Averaging By-law* that authorized the use of targeted 3-year land assessment averaging for the purpose of calculating property taxes for Residential (Class 1), Light Industrial (Class 5), and Business & Other (Class 6) properties.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and the Director of Finance RECOMMEND approval of the foregoing.

The City plays a leading role in enabling a thriving business environment and building a world-class, sustainable community for its residents. Vancouver has consistently been ranked as one of the most livable cities in the world. It has also been heralded for having one of the best business tax environments in the world (KPMG 2016). In 2016-2019, Metro Vancouver is expected to lead the nation in economic growth (Conference Board of Canada). The City has also received one of the strongest credit ratings for a Canadian city (AAA/AA+). To build on this economic strength and sustain its competitiveness, the City works to maintain an affordable environment for businesses and residents.

While the City's property tax regime generally functions as intended, every tax system has inherent limitations and challenges. Over the years, tax share and assessment volatility have been key issues within the business community. The challenge of assessment volatility is more prevalent on "hot" properties with triple net leases, where landlords transfer the entire tax burden to small business tenants while benefiting from the increase in property value upon sale or redevelopment.

In its report to Council in February 2014, the PTPRC found no evidence of an increasing business tax differential between Vancouver and other parts of the region, or of business investment moving to neighboring municipalities. This suggests that the 5-year tax shift program (completed in 2012) was effective in bringing the City's business tax share in line with its peers, and no additional tax shift is currently contemplated. Staff continues to collect and refine the metrics recommended by the PTPRC, and has started incorporating these as part of the annual Budget Report and Tax Distribution Report. The metrics would help guide future property tax policy decisions.

In addition to the significant progress made on the City's property tax policy, Council has taken proactive steps to enhance affordability and support economic development. This includes:

- keeping property tax, utility and user fees competitive within Metro Vancouver;
- lowering the business property tax share from 52% to 43% and improving the business tax rate ratio from 6 to 4 over last decade, one of the most substantial improvements within Metro Vancouver;
- bringing transformative changes to enhance customer service, efficiencies and accountability;
- implementing the Vancouver Economic Strategy to attract global talent, companies and investment;
- implementing the Transportation 2040 Plan to enable a sustainable, efficient transportation system;
- implementing the Greenest City 2020 Action Plan, which is positioning Vancouver as a global leader in urban sustainability; and
- adopting land use policies that preserve commercial, industrial and job space, promote affordable housing and childcare, and allow for accessible recreational facilities to attract and retain top talent.

Through these actions, Vancouver has experienced strong population growth, job creation and robust commercial development in recent years.

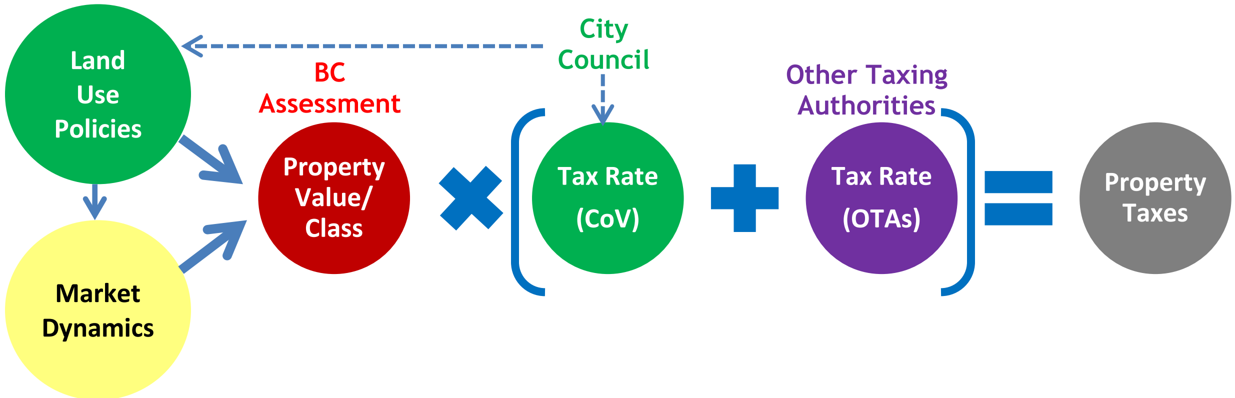
REPORT

Background/Context

British Columbia's property taxation framework has been recognized as one of the best in class due mainly to the segregation of assessment and taxation functions that ensures objectivity and credibility; and the annual market valuation approach that ensures currency, equity and transparency.

Figure 1 below shows the key stakeholders and inputs within the property taxation framework.

Figure 1: Property Taxation Framework



Property taxes are levied by taxing authorities based on real property values, which are driven by zoning as defined in **land use policies** and by **market dynamics**.

BC Assessment determines the value of all real properties in BC based on their "highest and best use" as defined by zoning and market evidence, and assigns them to appropriate property class(es) based on their "actual use" in accordance with the *Assessment Act*. An *Assessment Roll* is produced annually for municipalities and other taxing authorities (OTAs) such as Provincial schools, Translink, Metro Vancouver, Municipal Finance Authority and BC Assessment to levy property taxes.

City Council sets land use policies that define zoning; determines the amount of general purpose tax levy required to support City operations; sets residential and business tax share and tax rates; and levies property taxes using the *Assessment Roll*. Council may also decide whether to apply mitigation tools such as land assessment averaging in any given year. The City's general purpose tax portion accounts for ~50% of the overall tax levies.

OTAs set tax share and tax rate for each property class, and levy property taxes using the *Assessment Roll*. If land assessment averaging is applied, the tax rates for the impacted property classes will be adjusted to ensure revenue neutrality. OTAs account for ~50% of the overall tax levies.

A discussion on various tax distribution approaches, tax rate calculation, and mitigating measures is presented in Appendix A. The history of Council-directed tax redistribution between residential and non-residential property classes is presented in Appendix B.

Strategic Analysis

In December 2015, Council approved the 2016 Operating Budget of $1.26 billion of which $682.3 million is to be funded from general purpose tax levy.

I. 2016 Revised Roll

Key facts relating to the *2016 Revised Roll* are as follows. Reconciliation of the assessment base and overall tax levy between 2015 and 2016 is presented in Appendix D.

(i) The taxable assessment base has increased by $44.5 billion (18.2%).

(ii) The overall increase in general purpose tax levy for the City is $25.7 million (3.9%), which is comprised of the following:

2015 -	
Assessment appeals & other adjustments	+$4.8 million
2016 -	
New construction, class transfers & other non-market changes	+$7.4 million
Tax increase	+$13.5 million
Increase in general purpose tax levy	+$25.7 million

(iii) There was no conversion of business (Class 6) property to recreational (Class 8) properties (e.g. parks & gardens).

(iv) 15 properties (22 folios) totaling $156.8 million in assessed value are eligible for heritage tax exemptions, resulting in approximately $0.9 million of forgone general purpose tax levy which is shared by taxable properties in the course of balancing the annual operating budget.

(v) To-date, 104 property folios have been designated as Class 3 - Supportive Housing[1] (9 folios added in 2016), resulting in approximately $2 million of forgone general purpose tax levy and payment-in-lieu of taxes. This represents additional subsidies from Vancouver beyond the City's land and capital funding contributions towards the development of supportive housing, as the forgone tax has to be borne by all taxpayers.

(vi) As part of the Ports Competitiveness Initiative that took effect in 2004 and extended through 2018, the Province has legislated municipal tax rate caps to eligible tenant-occupied port properties: $27.50 (per $1,000 taxable value) on existing properties and $22.50 (per $1,000 taxable value) on new investments. Seven folios are eligible under this provision, resulting in approximately $1.2 million of net forgone general purpose tax levy.

II. PTPRC Recommendations

Over the last decade, Council twice engaged the PTPRC to review the impact of property tax on businesses. The 2007 review resulted in a five-year program to shift $23.8 million in property taxes from non-residential to residential property classes; this shift was completed in 2012. In 2013, Council reconvened the PTPRC to reassess the situation. In 2014, the PTPRC concluded there was no evidence of an increasing business tax differential between Vancouver and other Metro Vancouver municipalities, or business investment moving from Vancouver to neighboring municipalities. This suggests the tax shift program was effective in bringing Vancouver's business tax share in line with its peers. As a result, the PTPRC recommended the following:

- maintain the current tax distribution for the time being; and
- adopt metrics to compare the commercial property tax situation in Vancouver to that in other Metro Vancouver municipalities, and gauge Vancouver's ability to retain and attract business investment relative to its neighbors.

[1] Designated properties, in whole or in part, are subject to special valuation rules that reduce the assessed value of the Class 3 portion of the property to a nominal amount and therefore effectively exempt the property from property taxes.

III. Distribution of General Purpose Tax Levy – No Shift for 2016

Consistent with Council policy of distributing the general purpose tax levy through a "tax share" approach, staff have calculated the following tax distribution and resulting tax rates using the 2016 *Revised Roll*. Applying the *Average Assessment Roll* will change the taxable values and the applicable tax rates for Classes 1, 5 and 6, but the overall tax levy and the tax distribution across property classes will be the same. The final tax rates, including those levied by other taxing authorities (Provincial School, Translink, BC Assessment, Metro Vancouver, and Municipal Finance Authority), will be reported to Council in May 2016 for adoption.

Table 1 below summarizes the distribution of tax levy across property classes and the tax rate for each class.

Table 1: 2016 Tax Levy Distribution

	Residential Class 1	Utilities Class 2	Supportive Housing Class 3	Major Industry Class 4	Light Industry Class 5	Business & Other Class 6	Recreational & Non-profit Class 8	Farm Class 9	Total
Taxable Value	$239,626,229,695	$223,716,679	$106	$200,202,800	$1,069,058,700	$46,808,663,824	$426,743,100	$187,539	$288,354,802,443
Base Tax Levy	$360,586,201	$6,772,909	$0	$6,652,774	**in Class 6**	$295,955,387	**in Class 1**	**in Class 1**	$669,967,271
Tax Increase	$7,283,841	$136,813	$0	$134,386	**in Class 6**	$5,978,299	**in Class 1**	**in Class 1**	$13,533,339
Final Tax Levy	$367,215,792	$6,909,722	$0	$6,787,160	$6,741,869	$295,191,817	$653,962	$287	$683,500,610
Share of Tax Levy	*53.73%*	*1.01%*		*0.99%*	*0.99%*	*43.19%*	*0.10%*	*0.00%*	*100.00%*
UNAVERAGED TAX RATES	1.53245	30.88604	0.00000	33.90142	6.30635	6.30635	1.53245	1.53245	

	Residential (Class 1, 3, 8 & 9)	Non-Residential (Class 2, 4, 5 & 6)
Taxable Value	83.25%	16.75%
Tax Levy Distribution	53.82%	46.18%

Note: Total tax levy $683.5 million – Forgone taxes on eligible Port properties $1.2 million = Council-approved tax levy $682.3 million

Table 2 below summarizes the property tax on a residential (Class 1) property and a business (Class 6) property valued at $1 million.

Table 2: 2016 Property Tax - Residential vs. Business

	Property valued @ $1 million	
	Residential	**Business**
General Purpose Tax Levy[2]		
2015 Base	$1,502	$6,181
Tax Increase	$30	$125
Total[3]	**$1,532**	**$6,306**

[2] Taxes levied by other taxing authorities – Provincial School, Translink, BC Assessment, Metro Vancouver, and Municipal Finance Authority – are not included. Council has no control over the amounts collected by these taxing authorities.

[3] Impact on individual properties may vary depending on the relative change in value of a property compared to other properties in the same class, and impact that the City's *targeted* land assessment averaging program has on the value of a property for tax calculation purposes.

While the Council-directed tax increase applies to the overall tax levy, the extent of change in a property's taxes year-over-year is determined primarily by how that property's assessed value has changed relative to the average change within its property class.

- If a property's value increases at the same rate as the property class average change, its property tax will increase at the same rate as the property class average increase.
- If a property's value increases more than the property class average change, its property tax will increase more than the property class average increase.
- If a property's value increases less than the property class average change, its property tax will increase less than the property class average increase.

This applies to both residential and non-residential property classes. For example, if property taxes were to increase 2%, and if all residential properties increase in value at the same rate (say 15%), all homeowners will experience the same 2% tax increase. If the assessed value of single family homes (say 25%) increase much faster than condos (say 10%), single family home owners will experience a tax increase higher than 2% while condo owners will experience a lower tax increase (or even a reduction in some cases).

Mitigating Measures

Land assessment averaging is an optional tool available to Council under the *Vancouver Charter*. To date, Vancouver is the only municipality in British Columbia that uses land assessment averaging to phase in significant property tax increases arising from assessment volatility at a city-wide level. In 2015, the City transitioned from *across-the-board* averaging (in place since 1993) to *targeted* averaging as recommended by the PTPRC.

- For eligible residential properties, *targeted* averaging complements other provincial measures such as Section 19(8) of the *Assessment Act*, Property Tax Deferment and the Home Owner Grant (described below) in alleviating significant year-over-year tax increases.
- For light industrial and business properties, *targeted* averaging is the only mitigating measure that provides businesses with short-term, multi-year relief to enable market adjustments and/or lease renegotiations.

The following **Provincial tax relief measures** are available to residential property owners which can be applied independently or in combination to alleviate some taxation impact.

- ***Assessment Act s19(8)*** **-** available to property owners who have continuously occupied their principal residence for at least 10 years; the land will be assessed based on current zoning rather than anticipated zoning and development potential. (2016: 437 properties)

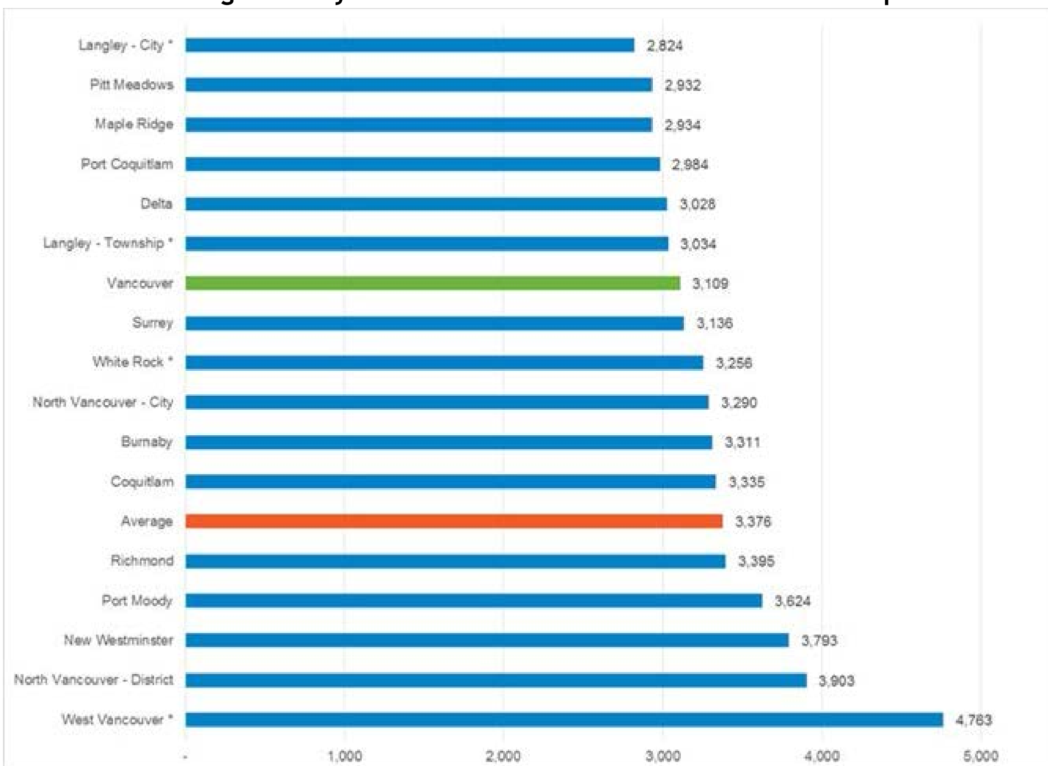
- ***Property Tax Deferment*** **-** available to property owners 55 years of age or older who occupy their principal residence and families with children under 18 years of age. (2015: 4,800 properties; 2016 applications in progress)

- ***Home Owner Grant*** **-** available to property owners who occupy their principal residence of which the value falls within the qualifying range. (2015: 88,000 properties; 2016 applications in progress)

Taken together, these mitigating measures have addressed major property tax increases for residents and businesses.

Figure 2 below compares the 2015 municipal property tax and utility fees for a median single family home relative to other Metro Vancouver municipalities. As most municipalities have not established their 2016 tax rates, the comparison is based on 2015 data. Vancouver sits below the Metro Vancouver average.

Figure 2: 2015 Municipal Property Tax & Utility Fees
Median Single Family Home in Selected Metro Vancouver Municipalities



Source data: http://www.cscd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2015.htm

Further details on the assessment base, tax rates and levy of selected municipalities are presented in Appendix C.

IV. Metrics to Guide Future Tax Distribution

In its report to Council in February 2014, the PTPRC reiterated that there is no single definition of the "correct", most appropriate tax share that should be borne by the commercial sector. The task of allocating taxes across property classes requires a degree of judgment. It recommended a number of metrics to gauge Vancouver's commercial property tax situation and ability to retain and attract business investments relative to other comparable Metro Vancouver municipalities, and to inform future decisions on tax share.

The PTPRC emphasized that these metrics are not meant to be prescriptive; they are considerations for Council when determining tax share in the future. Going forward, these metrics will be incorporated into the City's economic performance evaluation framework to help gauge Vancouver's business climate over the long-term. If the metrics suggest that the property tax situation for the commercial sector is worsening in Vancouver relative to other comparable Metro Vancouver municipalities, Council may consider shifting more taxes from commercial to residential properties. Conversely, if the metrics indicate that the tax situation for the commercial sector in Vancouver is relatively competitive, and that there is little evidence that Vancouver is losing its ability to attract and retain business investments, a further tax shift from commercial to residential properties may not be warranted.

The following charts show how Vancouver compares with five comparable Metro Vancouver municipalities with substantial commercial sectors - Burnaby, Coquitlam, New Westminster, Richmond and Surrey on the PTPRC-recommended metrics[4].

Figure 3 below compares ***Business Tax Share*** trends. As a result of tax shift decisions made by consecutive Councils over the last decade, Vancouver's business tax share has substantially reduced from 51.6% in 2006 to 42.9% in 2015. This represents a 9% reduction — the second most substantial improvement among comparable Metro Vancouver municipalities.

Figure 3: Business Tax Share

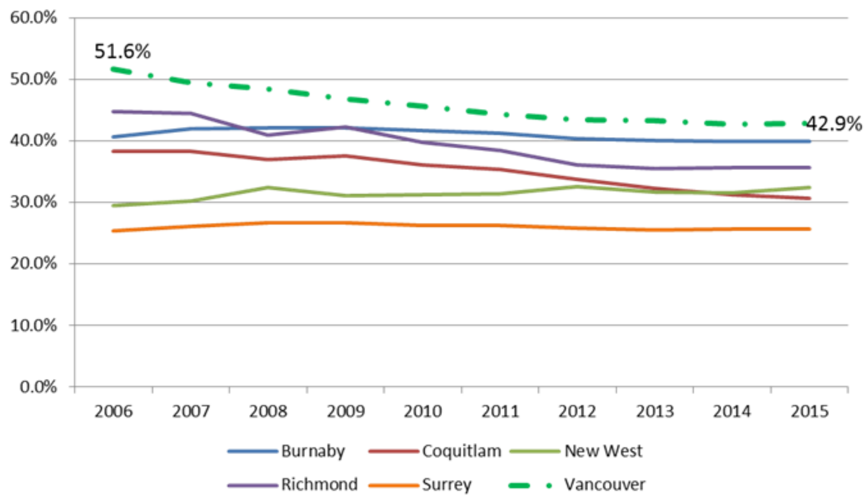


Figure 4 below compares ***Business Tax Rate*** trends. In 2006, Vancouver's business tax rate was the third-highest at $14.29/$1,000 assessed value. It has since reduced substantially — by 47% — to $7.12/$1,000 assessed value in 2015, one of the lowest among comparable Metro Vancouver municipalities.

[4] Due to data availability and quality issues, staff will continue to work with BC Assessment to collect and refine the metrics on business taxes per sq. ft. and vacancy within the broader context of the commercial property market in Metro Vancouver (supply, demand, lease rates, etc.).

Figure 4: Business Tax Rate per $1,000 Assessed Value

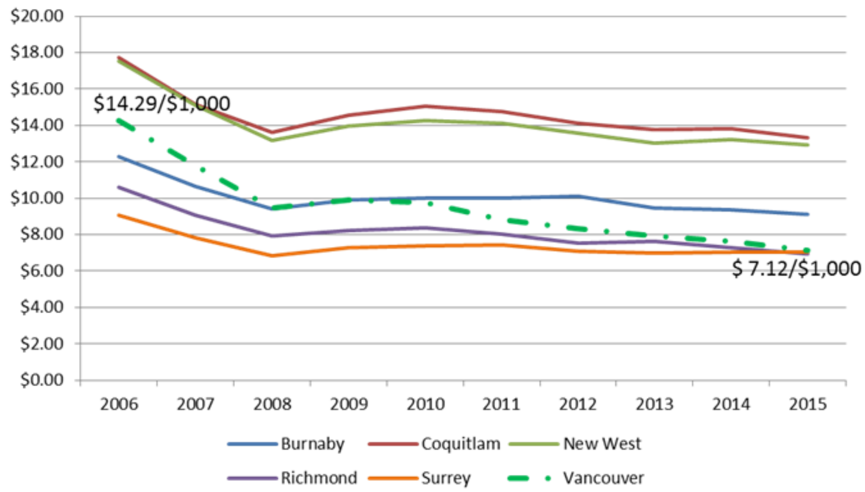


Figure 5 below compares ***Business Taxes per Capita*** trends. While business taxes per capita have increased between 9% and 51% over the last decade among comparable Metro Vancouver municipalities, Vancouver's has stayed relatively flat.

Figure 5: Business Taxes per Capita

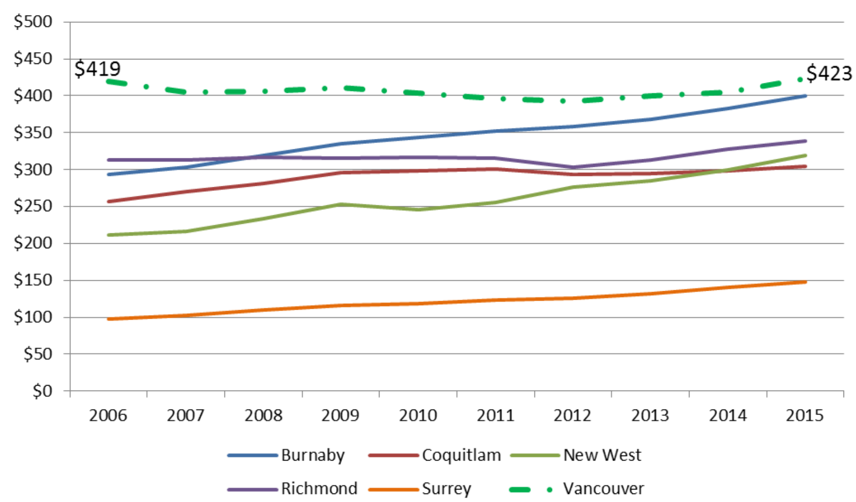
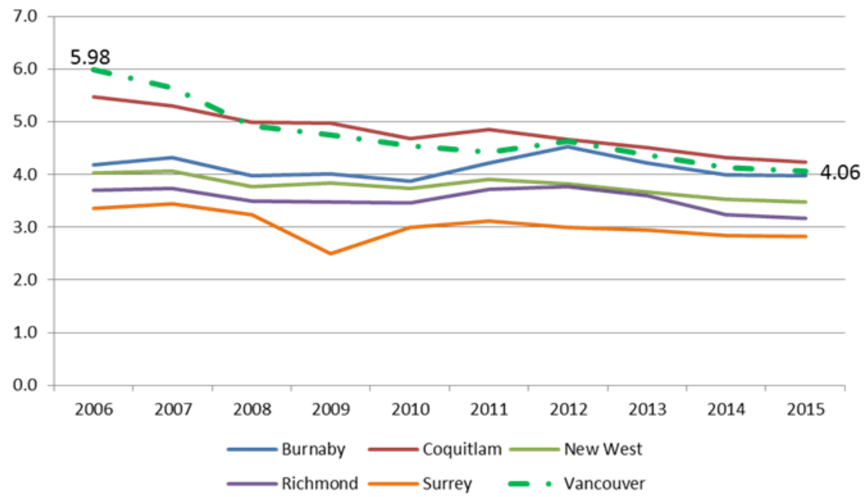


Figure 6 below compares ***Tax Rate Ratio*** (business tax rate/residential tax rate) trends. As a result of tax shift decisions made by consecutive Councils over the last decade, Vancouver's business tax rate ratio has improved substantially — from 5.98 in 2006 to 4.06 in 2015. This represents a 32% reduction in Vancouver, the most improved among comparable Metro Vancouver municipalities.

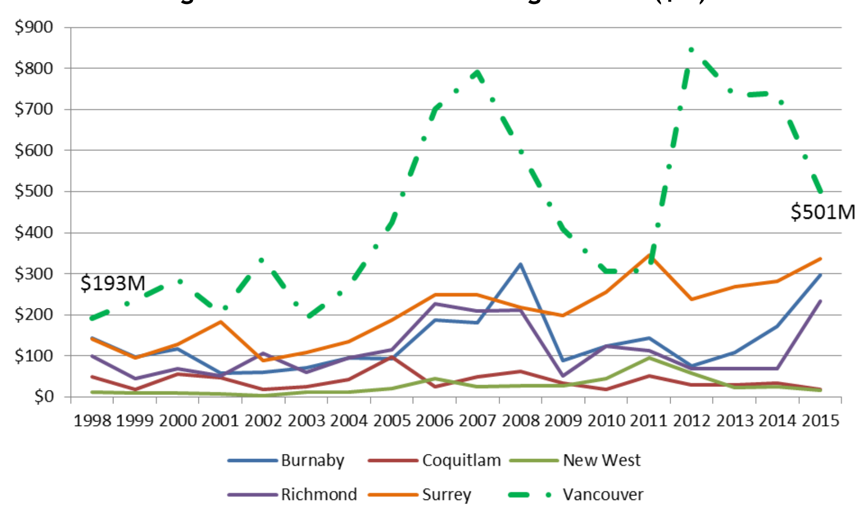
Figure 6: Tax Rate Ratio
(Business Tax Rate / Residential Tax Rate)



It is important to note that the tax rate ratio is impacted by market forces that are beyond Council's control. For instance, if the value of residential property continues to appreciate at a much faster pace than non-residential property, the tax rate ratio will naturally increase even though the business tax share is decreasing. As such, relying on just the tax rate ratio to gauge tax equity among property classes without considering other complementary metrics could be misleading.

Figure 7 below compares ***Commercial Building Permits*** trends. While the value of commercial building permits has changed in the range of -63% to 138% over the last two decades among comparable Metro Vancouver municipalities, Vancouver's permits have increased 160% — from $193 million in 1998 to $501 million in 2015.

Figure 7: Commercial Building Permits ($M)

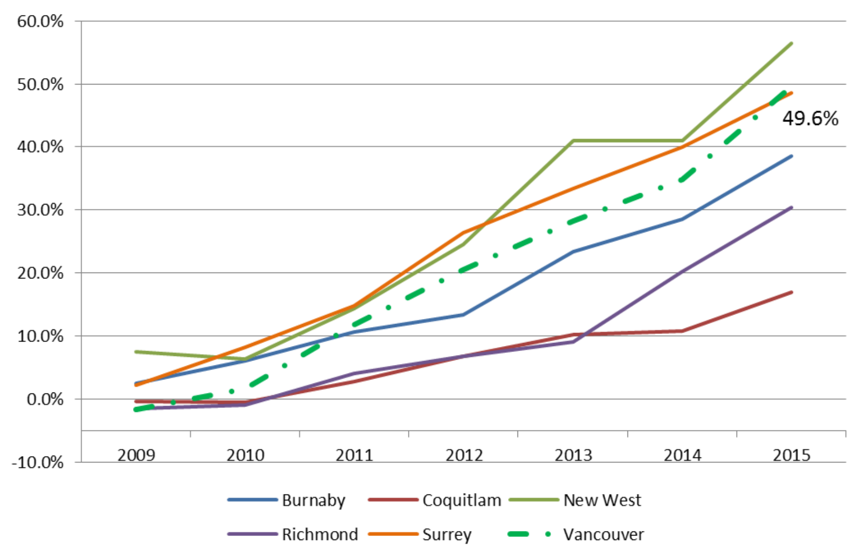


In recent years, Council has taken a number of proactive steps to support economic development in Vancouver which have led to significant job growth and robust commercial and office development activities in the City:

- keeping property tax, utility and user fees competitive within Metro Vancouver;
- lowering the business property tax share and improving the business tax rate ratio substantially over the past decade;
- implementing the Vancouver Economic Strategy to attract global talent, companies and investment;
- implementing the Transportation 2040 Plan to enable a sustainable, efficient transportation system;
- implementing the Greenest City 2020 Action Plan, which is positioning Vancouver as a global leader in urban sustainability and incubator of green technology; and
- adopting land use policies that preserve commercial, industrial and job space, promote affordable housing and childcare, and allow for accessible recreational facilities to attract and retain top talent.

Figure 8 below compares ***Business Property Market Assessment*** trends. Between 2009 and 2015, the total taxable commercial property assessment in Vancouver (net of new construction) has increased ~50% — the second-highest among comparable Metro Vancouver municipalities. This indicates market demand for commercial space in Vancouver has been strong in recent years.

Figure 8: Business Property Market Assessment



Implications/Related Issues/Risk (if applicable)

Financial

In December 2015, Council approved the 2016 Operating Budget of $1.26 billion, of which $682.3 million is to be funded from general purpose tax levy. Consistent with prior years, the final property tax increase has been adjusted based on the 2016 *Revised Roll* to generate the Council-approved tax levy – from the earlier estimate of 2.3% (Fall 2015 prior to assessment roll close) to 2.02% (April 2016).

Subject to Council approval, the tax distribution between residential and non-residential property classes would be 53.8%/46.2%.

CONCLUSION

Property taxation has been, and will continue to be, the primary, stable funding source for City services and programs. In 2016, ~54% of the Operating Budget is funded from general purpose tax levy. Given the variety of approaches to sharing the costs of tax-supported City services and programs among property classes, tax distribution continues to be one of the most complex and difficult decisions Council has to make.

In 2012, Council completed the 5-year, $23.8 million tax shift program recommended by the PTPRC in 2007. In its update report to Council in February 2014, the PTPRC affirmed that there was no evidence of an increasing business tax differential or of business investment moving to neighboring municipalities, and recommended no further tax shift at this point in time.

* * * * *

TAX DISTRIBUTION

Distribution of the general purpose tax levy across property classes has been a subject of discussion since the mid-1970s when market value assessments were introduced in British Columbia. There are two common approaches to tax distribution:

(i) "Tax Rate Ratio" Approach
"Class multiples" are used to fix the ratio between the Class 1 Residential tax rate and the tax rates of all other property classes. This often leads to significant year-over-year tax shifts between residential and non-residential property classes arising from differential market value changes among those classes.

(ii) "Tax Share" Approach
Distribution of the tax levy across property classes is determined by Council, subject to non-market changes within the classes (e.g. property transfers between classes, new construction) and/or Council decisions to adjust the share for each class. This means differential market value changes will not impact the tax share for each class.

In the late 1970s and early 1980s, the Province established the tax rate ratios for municipal governments annually. This resulted in significant year-over-year inter-class tax shifts arising from differential market value changes. At the request of Council and the Union of British Columbia Municipalities, the Province granted municipal governments the authority to determine their own tax distribution approach beginning in 1983. Since then, it has been Council policy to use the "tax share" approach.

There are different approaches for distributing the costs of tax-supported City services and programs among property classes. The following guiding principles are typically used to evaluate taxation policies; how they fit together is primarily a subjective consideration by Council.

- Equal treatment of equals
- Fairness, based on benefits received
- Fairness, based on ability to pay
- Economic behavior
- Accountability
- Stability and predictability
- Simplicity and ease of administration
- Regional and national competitiveness

When comparing tax share across municipalities, it is important to note that a number of factors may contribute to such differences:

- Different Council priorities and public policy objectives
- Different programs and services levels
- Different revenue strategies: property tax, utility charges, and user fees
- Different mix of residential and non-residential properties on the *Assessment Roll*
- Different funding mechanisms for public transit, tourism and other programs:

- public transit - the federal gas tax is allocated directly to Translink for all Metro Vancouver municipalities, while such funding flows through other municipalities (e.g. Abbotsford)
- tourism – some municipalities retain the hotel room tax (up to 2% of sales of accommodation); in Vancouver, such funding has been directed by the Province to Tourism Vancouver

Since the early 1990s, representatives of the business community have been advocating that distribution of tax levy be based on “consumption” of tax-supported City services and programs by each property class. Council did not support the use of “consumption” studies as the basis for tax distribution in 1995 and again in 2007. One of the key reasons is that consumption models in general focus on properties that receive immediate and direct benefits, though fall short on identifying those that receive secondary and/or ultimate benefits from city services and programs. Furthermore, determining benefits received is only one of the several aforementioned guiding principles to be considered in setting tax distribution. Nevertheless, to address the impacts of tax distribution on businesses, Council agreed to gradually shift the tax levy from non-residential property classes to residential property classes.

In November 2006, Council established the PTPRC to address two key issues concerning the impact the City’s taxation policies have on Vancouver’s economy:

> ***Tax Share*** – Recommend a long-term policy that will define and achieve a “fair” tax distribution for commercial property taxpayers, addressing the perceived inequity in the share of the City’s general purpose tax levy that is paid by the non-residential property classes.
>
> ***Volatility*** – Recommend a strategy to enhance the stability and predictability of property taxes for individual properties in the face of sudden, large year-over-year increases in market value.

In March 2008, Council approved the following recommendations brought forward by the PTPRC:

> ***Tax Share*** – Redistribute $23.8 million of tax levy proportionately from Classes 2, 4, 5 and 6 to Classes 1, 8 and 9 over five years, at a rate of 1% of the overall tax levy per year, in order to achieve the PTPRC’s recommended tax levy distribution of 52% residential and 48% non-residential *(based on 2007 Assessment Roll)* and to avoid the significant impact of the shift in one year.
>
> ***Volatility*** - Seek an amendment to the *Vancouver Charter* to enable the City to use up to five years of assessed land values, as opposed to three years currently allowable, in the land assessment averaging formula for calculating property taxes. A request for the amendment was submitted to the Province and enacted in 2013.

It should also be noted that the use of “consumption” studies within the context of property taxation policies was also considered by the PTPRC and was not recommended due largely to the reasons cited above.

CALCULATION OF TAX RATES

Under the "tax share" approach, Council determines the share of tax levy for each property class, but not for each individual property within the class. Section 374.2 (1) of *Vancouver Charter* further stipulates that Council determines and imposes a single tax rate for each property class, but not for each individual property within the class. To generate the Council-approved tax levy, when the total assessed value of a property class increases, the tax rate for the class is adjusted down; when the total assessed value decreases, the tax rate is adjusted up.

As a general rule, the extent of change in a property's taxes year-over-year is determined primarily by how that property's assessed value has changed relative to the average change within its property class. While changes in assessed values will not change the total general purpose tax levy generated from each property class, differential changes among properties within the same class will result in differential shifts in taxes paid by individual property owners from year to year. This situation is particularly prevalent in neighborhoods with significant growth opportunities and/or development potential where property values could experience a much higher increase relative to other areas in the City and, as a result, experience higher tax increases.

The following table outlines how volatility in a property's assessed value impacts its property taxes in general terms. It does not, however, reflect the impact of non-market changes (e.g. new construction, class transfers) and redistribution of taxes among property classes.

Impact of Assessed Value on Property Taxes

If a property's value has increased…	its property tax…
…*at the same rate* as the property class average change,	…will increase *at the same rate* as the property class average increase.
…*more* than the property class average change,	…will increase *more* than the property class average increase.
…*less* than the property class average change,	…will increase *less* than the property class average increase.

MITIGATING MEASURES

Over the last few decades, Vancouver has experienced cycles of a very active real estate market, particularly residential, from neighborhood to neighborhood which has resulted in uneven property value increases and taxation impacts across the City. There are a number of provincial and municipal mechanisms available for property owners which, when applied independently or in combination, could mitigate the taxation impact.

Provincial Mitigating Measures (Residential Property Only)

(i) ***Assessment Act* s19(8)** (property value reduction)
This option applies to properties within an area where there is a change in the land use policy involving "upzoning" and additional development potential which significantly increases the underlying land value. Under s19(8), residential property owners who have continuously owned and occupied the property as their principal residence for at least 10 years are eligible for a reduced property assessment. For eligible properties, the land portion of the assessed value will be based on current zoning rather than on anticipated future zoning and development potential. BC Assessment has been proactive in notifying potentially eligible property owners of this option. Any reduction in assessed values could shift tax burden among property owners, but the total general purpose tax levy remains the same; City revenue is not impacted.

(ii) Property Tax Deferment (tax deferral)
Eligible residential property owners who occupy their principal residence may defer all or a portion of the taxes owing net of home owner grant, if applicable. The Province finances the property tax payments at prescribed low interest rates and puts a charge against the property. Repayment is not required until ownership is transferred. Property tax deferment is available to individuals who are 55 years of age or older and, effective 2010, to families with children under 18 years of age. Financing is provided by the Province; City revenue is not impacted.

(iii) Home Owner Grant (tax reduction)
Residential property owners who occupy their principal residence are eligible for the Home Owner Grant if the value of their home falls within the qualifying range. The grant is applied first to offset school taxes, and any residual grant is then applied to reduce the general purpose tax levy. Effective 2006, individuals who are 65 years of age or older who fall within the lower income levels are able to claim the full senior home owner grant irrespective of the value of their property. Grants are funded by the Province; City revenue is not impacted.

City of Vancouver Mitigating Measure – Land Assessment Averaging
(Residential & Business Properties)

Land assessment averaging is an optional tool available to Council under the *Vancouver Charter*. It is revenue neutral to the City as the total general purpose tax levy collected from each property class is the same with or without application of this mechanism. To date, Vancouver is the only municipality in British Columbia that uses land assessment averaging to phase in significant property tax increases arising from assessment volatility at a city-wide level.

The program entails averaging three years of land value (current year and two prior years) to phase in year-over-year property tax impacts arising from land value changes and to reduce the number of properties that experience extreme volatility in property taxes driven by significant increases and decreases in land values. The current assessed improvement value is then added to the adjusted land value for calculating property taxes.

For eligible residential properties, this program complements other provincial measures such as Section 19(8) of the *Assessment Act*, Property Tax Deferment and the Home Owner Grant in alleviating significant year-over-year tax increases. For light industrial and business properties, this program is the only mitigating measure that provides businesses with short-term, multi-year relief to enable market adjustments and/or lease renegotiations.

Since 1993, it has been Council policy to apply *across-the-board* 3-year land assessment averaging for the purpose of calculating property taxes for residential (Class 1) and business (Class 6) properties. In 2007, Council extended the program to light industrial (Class 5) properties.

In 2007, the PTPRC recommended using up to five years of assessed land values (instead of the current three years) in the averaging formula to enhance property tax stability and predictability. In April 2013, the Province amended sections 374.4 (12) and (13) of the *Vancouver Charter* to allow Council to establish, by by-law, the number of preceding years to be applied in determining the average land value, up to a maximum of five years, for the purpose of land assessment averaging. Once the choice is made, the number of years used in the averaging formula must be held for five years. 2014 was the first year that the averaging program was governed by the amendment. A shift to 5-year land assessment averaging cannot be considered until 2019.

In May 2013, Council reconvened the PTPRC to provide an updated assessment of the City's property tax policy. To further address taxation impact arising from assessment volatility, in February 2014, the PTPRC recommended *targeted* land assessment averaging. In 2015, Council approved the transition from *across-the-board* averaging to *targeted* averaging.

Unlike *across-the-board* averaging, which is applied to the vast majority of residential, light industrial and business properties, whether or not the properties have experienced significant year-over-year increases in values, *targeted* averaging applies only to "hot" properties (defined as those that have experienced significant year-over-year increases in property values above the "threshold" set by Council). The intent of the policy is to reduce tax increases on the targeted properties until such time as the property is no longer "hot". *Targeted* averaging focuses only on "hot" properties above the "threshold", and properties below the "threshold" will be left untouched by averaging, and pay taxes based on their BC Assessment values. For those properties that are below the "threshold" but have experienced significant shift in value between land and improvement, they could be significantly disadvantaged by *across-the-board* averaging. Under *targeted* averaging, those properties will be left untouched, thereby avoiding any unintended consequences. The following table outlines the key differences between *across-the-board* averaging and *targeted* averaging.

Across-the-board Averaging vs. Targeted Averaging

Across-the-board Averaging (Classes 1/5/6)	Targeted Averaging (Classes 1/5/6)
• apply to all properties whether or not intervention is require	• apply only to "hot" properties above target threshold
• ongoing intervention	• intervene only when a property is "hot"
• ~half of all properties pay higher tax to subsidize the other half	• ~90% of properties pay slightly higher tax to subsidize ~10% properties
• property value could be adjusted higher	• property value will only be adjusted lower or unchanged, never higher
• intervention blind to severity of volatility	• tailored intervention to address severity of volatility • lower value towards, and possibly below threshold

YEAR	
1994	▪ Shifted $3.0 million from Class 6 to Class 1
1995	▪ Shifted $3.0 million from non-residential classes to Class 1
1996	▪ No shift
1997	▪ Shifted $2.9 million from non-residential classes to Class 1
1998	▪ No shift
1999	▪ No shift
2000	▪ Shifted $3.7 million from non-residential classes to residential classes
2001	▪ No shift
2002	▪ No shift
2003	▪ Shifted $2.1 million from non-residential classes to residential classes
2004	▪ No shift
2005	▪ No shift
2006	▪ Shifted $4.8 million from non-residential classes to residential classes
2007	▪ Allocated the entire 3.98% tax increase to residential classes, which is equivalent to a shift of $10 million
2008	▪ Shifted $5.2 million from non-residential classes to residential classes
2009	▪ Shifted $5.5 million from non-residential classes to residential classes
2010	▪ Shifted $5.7 million from non-residential classes to residential classes
2011	▪ Shifted $5.8 million from non-residential classes to residential classes
2012	▪ Shifted $1.6 million from non-residential classes to residential classes
2013	▪ No shift
2014	▪ No shift
2015	▪ No shift
2016	▪ No shift (subject to Council approval on April 20, 2016)

Note: Tax shifts between 2008 and 2012 were effected as part of the multi-year tax redistribution program recommended by the PTPRC. The target was to shift $23.8 million proportionately from non-residential property classes (2, 4, 5 & 6) to residential property classes (1, 8 & 9) at a rate of 1% of the overall tax levy per year.

Municipality	Property Class	General Taxable Values $	Assessment Base %	Municipal General Purpose Tax Rates (per $1,000)	Class Multiples	Municipal General Purpose Tax Levy $	Tax Distribution %
Vancouver	Residential	200,691,236,008	83%	1.77001	1.00	355,225,495	54%
(Averaged)	Utilities	199,164,946	0%	33.60798	18.99	6,693,532	1%
	Supportive Housing	98	0%	0.00000	0.00	0	0%
	Major Industry	195,391,500	0%	33.68465	19.03	6,581,694	1%
	Light Industry	914,143,453	0%	7.34590	4.15	6,715,206	1%
	Business/Other	38,368,454,687	16%	7.34590	4.15	281,850,831	43%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	358,248,300	0%	1.75339	0.99	628,149	0%
	Farm	219,261	0%	1.75339	0.99	384	0%
	Totals	**240,726,858,253**	**100%**			**657,695,292**	**100%**
Abbotsford	Residential	14,872,995,444	81%	5.09945	1.00	75,844,097	63%
	Utilities	88,715,096	0%	40.00000	7.84	3,548,604	3%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	0	0%	0.00000	0.00	0	0%
	Light Industry	493,240,526	3%	10.56303	2.07	5,210,114	4%
	Business/Other	2,763,178,274	15%	12.16093	2.38	33,602,818	28%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	12,931,900	0%	8.49140	1.67	109,810	0%
	Farm	140,652,103	1%	18.81469	3.69	2,646,326	2%
	Totals	**18,371,713,343**	**100%**			**120,961,768**	**100%**
Burnaby	Residential	49,211,307,305	80%	2.29380	1.00	112,880,897	49%
	Utilities	165,010,110	0%	33.38670	14.56	5,509,143	2%
	Supportive Housing	6	0%	2.29380	1.00	0	0%
	Major Industry	152,716,500	0%	45.24490	19.72	6,909,643	3%
	Light Industry	1,524,071,300	2%	9.12440	3.98	13,906,236	6%
	Business/Other	10,149,850,518	17%	9.12440	3.98	92,611,296	40%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	56,831,600	0%	1.49530	0.65	84,980	0%
	Farm	1,237,464	0%	9.12440	3.98	11,291	0%
	Totals	**61,261,024,803**	**100%**			**231,913,486**	**100%**
Coquitlam	Residential	26,122,659,635	88%	3.14820	1.00	82,239,357	64%
	Utilities	23,622,890	0%	40.00000	12.71	944,916	1%
	Supportive Housing	0	0%	3.14820	1.00	0	0%
	Major Industry	0	0%	28.87690	9.17	0	0%
	Light Industry	436,832,500	1%	13.52510	4.30	5,908,203	5%
	Business/Other	2,958,902,601	10%	13.34520	4.24	39,487,147	31%
	Managed Forest	0	0%	9.44460	3.00	0	0%
	Recreation	31,322,000	0%	15.11150	4.80	473,322	0%
	Farm	1,062,569	0%	17.98660	5.71	19,112	0%
	Totals	**29,574,402,195**	**100%**			**129,072,057**	**100%**
Delta	Residential	18,270,720,414	80%	3.51560	1.00	64,232,545	54%
	Utilities	42,851,940	0%	39.99000	11.38	1,713,649	1%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	228,576,000	1%	32.80060	9.33	7,497,430	6%
	Light Industry	1,656,555,600	7%	10.23740	2.91	16,958,822	14%
	Business/Other	2,633,878,810	11%	10.44420	2.97	27,508,757	23%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	40,215,500	0%	7.76700	2.21	312,354	0%
	Farm	43,648,059	0%	18.36860	5.22	801,754	1%
	Totals	**22,916,446,323**	**100%**			**119,025,311**	**100%**

Municipality	Property Class	General Taxable Values $	Assessment Base %	Municipal General Purpose Tax Rates (per $1,000)	Class Multiples	Municipal General Purpose Tax Levy $	Tax Distribution %
Langley, City	Residential	3,101,353,803	71%	3.87940	1.00	12,031,392	51%
	Utilities	2,311,030	0%	40.00000	10.31	92,441	0%
	Supportive Housing	2	0%	3.87940	1.00	0	0%
	Major Industry	0	0%	0.00000	0.00	0	0%
	Light Industry	141,369,500	3%	9.90030	2.55	1,399,600	6%
	Business/Other	1,124,591,666	26%	8.79470	2.27	9,890,446	42%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	7,480,700	0%	8.79470	2.27	65,791	0%
	Farm	11,936	0%	3.87940	1.00	46	0%
	Totals	**4,377,118,637**	**100%**			**23,479,717**	**100%**
Langley, Township	Residential	20,285,341,039	83%	3.36210	1.00	68,201,345	61%
	Utilities	41,476,187	0%	28.45410	8.46	1,180,168	1%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	25,482,800	0%	9.49430	2.82	241,941	0%
	Light Industry	1,178,011,000	5%	9.70410	2.89	11,431,537	10%
	Business/Other	2,917,158,001	12%	9.96950	2.97	29,082,607	26%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	48,302,700	0%	5.13920	1.53	248,237	0%
	Farm	65,346,259	0%	10.46640	3.11	683,940	1%
	Totals	**24,561,117,986**	**100%**			**111,069,775**	**100%**
Maple Ridge	Residential	12,004,517,984	91%	4.47130	1.00	53,675,801	78%
	Utilities	13,495,431	0%	40.00000	8.95	539,817	1%
	Supportive Housing	2	0%	0.00000	0.00	0	0%
	Major Industry	17,230,000	0%	33.26820	7.44	573,211	1%
	Light Industry	228,202,800	2%	12.30380	2.75	2,807,762	4%
	Business/Other	900,715,133	7%	12.30380	2.75	11,082,219	16%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	2,901,401	0%	13.15370	2.94	38,164	0%
	Farm	4,905,131	0%	31.95600	7.15	156,748	0%
	Totals	**13,171,967,882**	**100%**			**68,873,723**	**100%**
New Westminster	Residential	10,971,070,148	85%	3.71910	1.00	40,802,507	60%
	Utilities	8,394,930	0%	30.12060	8.10	252,860	0%
	Supportive Housing	10	0%	3.71910	1.00	0	0%
	Major Industry	42,278,400	0%	30.13070	8.10	1,273,878	2%
	Light Industry	194,940,700	2%	16.98320	4.57	3,310,717	5%
	Business/Other	1,695,231,145	13%	12.92410	3.48	21,909,337	32%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	10,392,080	0%	3.71910	1.00	38,649	0%
	Farm	18,943	0%	3.71910	1.00	70	0%
	Totals	**12,922,326,356**	**100%**			**67,588,019**	**100%**
North Vancouver	Residential	11,850,633,329	83%	2.51383	1.00	29,790,478	55%
(City)	Utilities	9,157,660	0%	40.00000	15.91	366,306	1%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	155,376,000	1%	27.50000	10.94	4,272,840	8%
	Light Industry	52,933,100	0%	8.42034	3.35	445,715	1%
	Business/Other	2,231,161,300	16%	8.42034	3.35	18,787,137	35%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	5,907,000	0%	2.64383	1.05	15,617	0%
	Farm	0	0%	0.00000	0.00	0	0%
	Totals	**14,305,168,389**	**100%**			**53,678,093**	**100%**

Municipality	Property Class	General Taxable Values $	Assessment Base %	Municipal General Purpose Tax Rates (per $1,000)	Class Multiples	Municipal General Purpose Tax Levy $	Tax Distribution %
North Vancouver (District)	Residential	25,809,063,617	92%	2.37397	1.00	61,269,943	71%
	Utilities	2,360,829	0%	40.00000	16.85	94,433	0%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	284,810,800	1%	30.97096	13.05	8,820,864	10%
	Light Industry	68,346,500	0%	11.88180	5.01	812,079	1%
	Business/Other	1,819,880,916	6%	8.27863	3.49	15,066,121	17%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	35,533,400	0%	5.59349	2.36	198,756	0%
	Farm	0	0%	0.00000	0.00	0	0%
	Totals	**28,019,996,062**	**100%**			**86,262,196**	**100%**
Pitt Meadows	Residential	2,680,789,054	83%	3.94790	1.00	10,583,487	61%
	Utilities	6,663,035	0%	35.91550	9.10	239,306	1%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	3,576,400	0%	37.06480	9.39	132,559	1%
	Light Industry	49,052,500	2%	16.69620	4.23	818,990	5%
	Business/Other	437,183,478	14%	11.18660	2.83	4,890,597	28%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	22,193,600	1%	10.49610	2.66	232,946	1%
	Farm	16,564,588	1%	30.78730	7.80	509,979	3%
	Totals	**3,216,022,655**	**100%**			**17,407,864**	**100%**
Port Coquitlam	Residential	8,798,769,381	82%	3.79500	1.00	33,391,330	56%
	Utilities	10,200,248	0%	40.00000	10.54	408,010	1%
	Supportive Housing	4	0%	3.79500	1.00	0	0%
	Major Industry	0	0%	13.24730	3.49	0	0%
	Light Industry	459,062,700	4%	14.43180	3.80	6,625,101	11%
	Business/Other	1,502,905,502	14%	12.64730	3.33	19,007,697	32%
	Managed Forest	0	0%	40.00000	10.54	0	0%
	Recreation	10,185,700	0%	15.16150	4.00	154,430	0%
	Farm	808,748	0%	23.47560	6.19	18,986	0%
	Totals	**10,781,932,283**	**100%**			**59,605,554**	**100%**
Port Moody	Residential	6,738,121,022	92%	3.46820	1.00	23,369,151	65%
	Utilities	2,799,390	0%	38.56750	11.12	107,965	0%
	Supportive Housing	0	0%	3.46820	1.00	0	0%
	Major Industry	99,325,600	1%	71.30020	20.56	7,081,935	20%
	Light Industry	32,827,200	0%	18.50730	5.34	607,543	2%
	Business/Other	476,012,906	6%	9.95770	2.87	4,739,994	13%
	Managed Forest	0	0%	10.40460	3.00	0	0%
	Recreation	11,468,700	0%	2.91660	0.84	33,450	0%
	Farm	0	0%	3.46820	1.00	0	0%
	Totals	**7,360,554,818**	**100%**			**35,940,038**	**100%**
Richmond	Residential	47,402,471,266	79%	2.18723	1.00	103,680,107	55%
	Utilities	21,195,129	0%	39.91245	18.25	845,950	0%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	137,264,500	0%	12.87490	5.89	1,767,267	1%
	Light Industry	2,208,027,000	4%	6.94287	3.17	15,330,044	8%
	Business/Other	9,770,811,614	16%	6.94287	3.17	67,837,475	36%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	144,622,410	0%	1.93251	0.88	279,484	0%
	Farm	26,364,056	0%	12.67378	5.79	334,132	0%
	Totals	**59,710,755,975**	**100%**			**190,074,459**	**100%**

Municipality	Property Class	General Taxable Values $	Assessment Base %	Municipal General Purpose Tax Rates (per $1,000)	Class Multiples	Municipal General Purpose Tax Levy $	Tax Distribution %
Surrey	Residential	76,727,297,715	86%	2.49070	1.00	191,104,680	69%
	Utilities	60,899,439	0%	33.80046	13.57	2,058,429	1%
	Supportive Housing	14	0%	0.00000	0.00	0	0%
	Major Industry	109,498,900	0%	11.20174	4.50	1,226,578	0%
	Light Industry	1,884,623,600	2%	6.09374	2.45	11,484,406	4%
	Business/Other	10,134,058,613	11%	7.02465	2.82	71,188,215	26%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	138,009,400	0%	2.45629	0.99	338,991	0%
	Farm	34,928,593	0%	2.72367	1.09	95,134	0%
	Totals	**89,089,316,274**	**100%**			**277,496,434**	**100%**
West Vancouver	Residential	32,001,275,930	97%	1.69110	1.00	54,117,358	93%
	Utilities	9,256,909	0%	10.66780	6.31	98,751	0%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	2,286,000	0%	16.04540	9.49	36,680	0%
	Light Industry	0	0%	16.04540	9.49	0	0%
	Business/Other	897,508,600	3%	4.31540	2.55	3,873,109	7%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	39,532,300	0%	5.08850	3.01	201,160	0%
	Farm	0	0%	0.00000	0.00	0	0%
	Totals	**32,949,859,739**	**100%**			**58,327,057**	**100%**
White Rock	Residential	5,418,972,512	95%	3.44748	1.00	18,681,799	90%
	Utilities	6,233,345	0%	17.79443	5.16	110,919	1%
	Supportive Housing	0	0%	0.00000	0.00	0	0%
	Major Industry	0	0%	0.00000	0.00	0	0%
	Light Industry	0	0%	0.00000	0.00	0	0%
	Business/Other	257,770,502	5%	7.85907	2.28	2,025,836	10%
	Managed Forest	0	0%	0.00000	0.00	0	0%
	Recreation	4,696,800	0%	3.25144	0.94	15,271	0%
	Farm	0	0%	0.00000	0.00	0	0%
	Totals	**5,687,673,159**	**100%**			**20,833,826**	**100%**

Source data: http://www.cscd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2015.htm

IMPACT OF ASSESSMENT CHANGES (MARKET & NON-MARKET) ON TAX DISTRIBUTION BEFORE TAX INCREASE

	Residential Class 1	Utilities Class 2	Supportive Housing Class 3	Major Industry Class 4	Light Industry Class 5	Business & Other Class 6	Recreational & Non-profit Class 8	Farm Class 9	Total
ASSESSMENT BASE									
2015 Revised Roll	202,593,205,987	199,164,946	98	195,391,500	980,989,400	39,575,649,179	358,248,300	219,261	243,902,868,671
2015 Adjustments	(42,079,100)	5,904,012	0	0	(4,396,600)	666,121,700	(426,000)	0	625,124,012
2015 Supplementary Roll	202,551,126,887	205,068,958	98	195,391,500	976,592,800	40,241,770,879	357,822,300	219,261	244,527,992,683
Share of Assessment Base	*82.83%*	*0.08%*	*0.00%*	*0.08%*	*0.40%*	*16.46%*	*0.15%*	*0.00%*	*100.00%*
2016 Market Change	33,868,634,394	22,579,888	0	2,672,300	152,322,300	6,073,632,024	75,429,500	3	40,195,270,409
	236,419,761,281	227,648,846	98	198,063,800	1,128,915,100	46,315,402,903	433,251,800	219,264	284,723,263,092
Share of Assessment Base	*83.03%*	*0.08%*	*0.00%*	*0.07%*	*0.40%*	*16.27%*	*0.15%*	*0.00%*	*100.00%*
2016 Non-market Change									
Class Transfers	415,452,070	(3,373,245)	8	0	(54,525,500)	(145,901,929)	(2,050,700)	(31,725)	209,568,979
Other	1,029,049,302	2,978,000	0	0	(4,979,000)	38,279,500	(4,305,000)	0	1,061,022,802
New Construction	1,761,967,042	(3,536,922)	0	2,139,000	(351,900)	600,883,350	(153,000)	0	2,360,947,570
	3,206,468,414	(3,932,167)	8	2,139,000	(59,856,400)	493,260,921	(6,508,700)	(31,725)	3,631,539,351
2016 Assessment Base for Tax Rate Calculation	**239,626,229,695**	**223,716,679**	**106**	**200,202,800**	**1,069,058,700**	**46,808,663,824**	**426,743,100**	**187,539**	**288,354,802,443**
Share of Assessment Base	*83.10%*	*0.08%*	*0.00%*	*0.07%*	*0.37%*	*16.23%*	*0.15%*	*0.00%*	*100.00%*
GENERAL PURPOSE TAX LEVY									
2015 Opening Tax Levy	355,224,901	6,693,532	0	6,581,694	6,979,877	281,586,284	628,149	384	657,694,822
2015 Roll Adjustments	(73,781)	198,422	0	0	(31,282)	4,739,549	(747)	0	4,832,161
2015 Adjusted Tax Levy	355,151,120	6,891,953	0	6,581,694	6,948,594	286,325,834	627,402	384	662,526,983
Share of Tax Levy	*53.61%*	*1.04%*	*0.00%*	*0.99%*	*1.05%*	*43.22%*	*0.09%*	*0.00%*	*100.00%*
2016 Non-market Change	2,169,938	(11,966)	0	0	(366,257)	(665,331)	(9,204)	(56)	1,117,125
2016 New Construction	2,646,837	(107,079)	0	71,079	(2,166)	3,714,713	(222)	0	6,323,163
	4,816,775	(119,044)	0	71,079	(368,423)	3,049,382	(9,425)	(56)	7,440,288
2016 Base Tax Levy (before tax increase)	**359,967,896**	**6,772,909**	**0**	**6,652,774**	**6,580,172**	**289,375,215**	**617,977**	**329**	**669,967,271**
Share of Tax Levy	*53.73%*	*1.01%*	*0.00%*	*0.99%*	*0.98%*	*43.19%*	*0.09%*	*0.00%*	*100.00%*
2016 Tax Increase	7,247,897	136,813	0	134,386	161,697	5,816,602	35,986	(41)	13,533,339
2016 Final Tax Levy (after tax increase)	**367,215,792**	**6,909,722**	**0**	**6,787,160**	**6,741,869**	**295,191,817**	**653,962**	**287**	**683,500,610**
Share of Tax Levy	*53.73%*	*1.01%*	*0.00%*	*0.99%*	*0.99%*	*43.19%*	*0.10%*	*0.00%*	*100.00%*

Note: Total tax levy $683.5 million – Forgone taxes on eligible Port properties $1.2million = Council-approved tax levy $682.3 million