



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: September 29, 2005
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Meeting Date: November 3, 2005

TO: Standing Committee on City Services and Budgets
FROM: General Manager of Corporate Services / Director of Finance
SUBJECT: 2006 Business License Fees: Fees for Live-Aboard Boats

RECOMMENDATION

THAT the business license fees charged to marina operators who host live-aboard boats be increased by 2.99% for 2006 reflecting the increase in residential property taxes in 2005 AND THAT the Director of Legal Services be instructed to bring forward the appropriate amendments to the Licence Bylaw.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

It is Council policy that fees and charges be established on the basis of the cost of providing the associated services or at market levels where the services are provided in a market environment.

PURPOSE

The purpose of this report is to seek Council approval for an increase in the fees charged under the License By-law to marina operators that host live-aboard boats at their marinas.

BACKGROUND

Since 1974, the City has levied a license fee on marina owners for each live-aboard boat moored at a marina. The purpose of this fee is to ensure that those marina operators who permit residents to live aboard their boats contribute to the provision of public services in a manner similar to those who occupy assessable real property and pay property taxes. The comparison with property tax is made, as it is the mechanism through which other residents pay for public services.

As boats used for live-aboard purposes are not assessable under the *Assessment Act*, it is impossible to establish appropriate values. In order to provide a proxy on which to base fees, Council approved the use of waterline boat length as the basis for charging this fee.

In 1996, Council established that the most appropriate way of adjusting live-aboard fees would be to base the increase in the fee on the change in property taxes paid by residential taxpayers in the prior year.

In order to ensure that the fee is similar to fees paid by area residents, periodic comparisons are made to assessable residential premises in the Fairview Slopes and South False Creek area to determine the appropriateness of the charges for live-aboard boats. The analysis conducted in developing the 2003 fees indicated that the range of charges proposed for live-aboard boats were comparable to the net taxes on residential units in these neighbourhoods. Since 2002, the value of the comparable residential units has increased by between 20% and 45%, resulting in tax increases in the range of 13 to 28%. During this same period, the live-aboard fee has increased by just under 11% (0% in 2003, 8.8% in 2004 and 2% in 2005). The 8.8% increase in 2004 includes a 4% increase that was not applied in 2003.

DISCUSSION

Using this methodology, the licence fees charged to marina operators who host live-aboard boats for year 2006 are recommended to increase by 2.99%. This is the same increase Council applied to the 2005 residential property tax levy. This increase compares to increases for area residential properties in the range of 6% and 15% in 2005 as a result of increases in taxable values for these properties that were greater than the average increase for residential properties in the City, compounding the Council approved tax increase.

The current and recommended live-aboard fees are listed in Table 1:

Table 1
Current and Recommended Live-aboard License Fees

Length of Boat at Waterline	Current Fee	Recommended Fee
<= 21 feet	\$811	\$835
> 21 feet and <= 26 feet	\$980	\$1,009
> 26 feet and <= 31 feet	\$1,103	\$1,136
> 31 feet and <= 37 feet	\$1,259	\$1,297
> 37 feet	\$1,388	\$1,430

CONCLUSION

To ensure that marina operators who host live-aboard boats at marinas in the City provide a comparable level of support to the provision of public services, it is recommended that the 2006 Live-aboard License fee payable by marina operators be increased by 2.99% to reflect the increase in residential property taxes in 2005.

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