



CITY OF VANCOUVER

A9

ADMINISTRATIVE REPORT

Report Date: November 17, 2005
Author: Ken Bayne
Phone No.: 604.873.7223
RTS No.: 05589
CC File No.: 3206
Meeting Date: November 29, 2005

TO: Vancouver City Council

FROM: General Manager of Corporate Services / Director of Finance

SUBJECT: Grant-in-Lieu of Property Taxes: Greater Vancouver Grant-in-Lieu of Property Taxes: Vancouver Water District

RECOMMENDATION

THAT Council consent to the receipt of a payment-in-lieu of property taxes of \$13,173 from the Greater Vancouver Water District.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

There is no applicable Council Policy.

PURPOSE

This report seeks Council acceptance of a payment-in-lieu of property taxes from the Greater Vancouver Water District to offset foregone property taxes in 2005.

DISCUSSION

Changes in legislation exempted property owned by the Greater Vancouver Regional District from property taxation beginning in 2004. As a result, property owned by the Greater Vancouver Water District in the City of Vancouver has become tax exempt, resulting in a loss of taxes to the City.

On November 26, 2004, the regional district board approved a payment-in-lieu of taxes program that recognized the impact of lost taxes on member municipalities. The program provides payments in lieu of taxes on a declining basis over five years beginning in 2004. In 2005, the program provides grants equal to 80% of the taxes paid in 2003. The amount of the grant would decline until a full exemption is achieved over the five years of the program.

For the City of Vancouver, the impacts are small. The Water District owns property in Vancouver that generated \$17,720 in municipal property taxes in 2003. The resolution by the regional board proposes that the City receive a payment in lieu of taxes of 80% of this amount (\$13,173) in 2005.

The Greater Vancouver Water District Act requires a resolution of Council to accept the payment in lieu of taxes for 2005 prior to the payment being made.

FINANCIAL IMPLICATIONS

The City will receive a payment-in-lieu of property taxes of \$13,173 for 2005 with payment anticipated in February 2006.

CONCLUSION

In order for the regional district to make a payment-in-lieu of taxes on water district property in the City, a resolution of Council is necessary to accept the payment.

* * * * *