



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: October 10, 2006
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RTS No.: 06309
VanRIMS No.: 08-4000-11
Meeting Date: October 31, 2006

TO: Vancouver City Council
FROM: General Manager of Corporate Services / Director of Finance
SUBJECT: License By-law Amendments: 2007 Live-aboard License Fees

RECOMMENDATION

THAT the business license fees charged to marina operators who host live-aboard boats be increased by 6.5% for 2007 reflecting the increase in residential property taxes in 2006; and

THAT the Director of Legal services be instructed to bring forward the appropriate amendments to the License Bylaw.

GENERAL 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 taxes 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 the prior year.

In order to ensure that the live-aboard 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. An analysis of 2005 and 2006 municipal taxes showed an average increase of about 11.6% for the sample properties. The 2006 municipal taxes for the sample properties ranged from \$1,200 to just under \$2,000.

DISCUSSION

Using the methodology described above, it is recommended that the 2006 license fees charged to marina operators who host live-aboard boats be increased by 6.5%. This is the cumulative impact of the general increase Council applied to the 2006 residential property tax levy and the impact of a 1% shift in property taxes from non residential to residential properties. This increase compares to increases for area residential properties in the range of 9% and 14% in 2006 as a result of increases in taxable values for these properties that were greater than the average increase for the residential property class as a whole, 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	\$835	\$889
>21 feet and <= 26 feet	\$1,009	\$1,075
>26 feet and <= 31 feet	\$1,136	\$1,210
>31 feet and <= 37 feet	\$1,297	\$1,381
>37 feet	\$1,430	\$1,523

FINANCIAL IMPLICATIONS

There are no financial implications.

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 6.5% to reflect the increase in residential property taxes in 2006.

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DEPARTMENTAL APPROVAL AND REPORT CONCURRENCES

General Mgr./Dept. Head:

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This report has been prepared in consultation with the departments listed to the right, and they concur with its contents.

Concurring Departments:

Financial Planning