



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Date: January 25, 2008
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Meeting Date: February 12, 2008

TO: Vancouver City Council

FROM: General Manager of Corporate Services / Director of Finance

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

RECOMMENDATION

THAT Council consent to the receipt of a payment-in-lieu of property taxes from the Greater Vancouver Water District of \$6,865 for the 2007 fiscal year.

GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services 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 for fiscal 2007.

DISCUSSION

Changes in legislation have exempted most property owned by the Greater Vancouver Regional District from property taxation. As a result, property owned by the Greater Vancouver Water District in the City of Vancouver became 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 makes payments in lieu of taxes on a declining basis over five years beginning in 2004. Annual payments over the phase-out period are based on taxes actually billed in 2003 with 40% of that amount paid for 2007.

In 2003, the GVWD paid the City of Vancouver \$17,160 in taxes. The Water District proposes to provide the City with a payment of \$6,865 in lieu of municipal property taxes for fiscal 2007.

The *Water Act* requires that Council approve a resolution to accept the payment in lieu of taxes for 2007 prior to the payment being made.

FINANCIAL IMPLICATIONS

The City will receive a payment-in-lieu of property taxes of \$6,865 for fiscal 2007.

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.

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