

## MOTION ON NOTICE

### 3. **Transparent Process and Taxation for Land Banks Repurposed as Temporary Recreational Properties**

Submitted by: Councillor Fry

#### WHEREAS

1. Over the past decade, vacant land development holdings throughout the City of Vancouver have been converted to use as public recreation space, variously as temporary parks and gardens;
2. As a result of installing temporary public parks or gardens, the respective lots are reclassified by the BC Assessment Authority from Class 6 (Business, other) to Class 8 (Recreation);
3. The City of Vancouver has the authority to determine land use, but has no authority under the BC Assessment Act to determine property classification. Property classification is done by BC Assessment in accordance with the BC Assessment Act;
4. Property classifications by BC Assessment do not necessarily align with the City's land use policies. Unless the Assessment Act is amended, class conversions are really a land use enforcement issue;
5. Reclassification from Class 6 to 8 nets significant property tax savings of nearly two-thirds. In 2019 for example, the mill rate on Class 6 is \$9.32931 per \$1,000 assessed value; for Class 8, the mill rate is \$3.86290 per \$1,000 assessed value;
6. While these new temporary recreation spaces might impart some public community benefit, they also impart significant financial benefit to the owners of development holdings and may unfairly shift the tax burden to other property owners;
7. In a February 17, 2009 motion Council directed staff to report back on context and number of temporary recreation spaces on the whole, as well as options for Council to consider in order to ensure a fair taxation model;
8. Typically the physical conversion of a property from Class 6 to Class 8 would require property owners to apply for a development permit and a change of use however this has not necessarily been the practice with land bank to public recreation space conversions as described;
9. In a May 25, 2009 memo replying to council direction, City staff presented options that considered maintaining the status quo; appealing BC Assessments classifications; or requiring either strict or conditional approvals on development applications to convert land from a business (Class 6) to recreational (Class 8) property use;

10. The de facto decision at the time of that memo and since then has been to maintain the status quo;

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to review analysis in the memo from May 25, 2009 and report back to Council on the feasibility of a hybrid system of strict enforcement and conditional conversions of the use from business (Class 6) to recreational (Class 8) uses that considers highest and best use of land, public benefits, and potential tax revenue.
- B. THAT Council direct staff in its report back to present criteria to define basic standards of conditional conversion including but not limited to commercialization, advertising, public access, and community benefits.
- C. THAT Council direct staff to engage the Province and BC Assessment through the inter-governmental working group to clarify and, where necessary, amend the criteria for conversion with the goal of reducing/eliminating potential abuse of the system.
- D. THAT Council direct staff to report back on the above recommendations and any necessary by-law amendments and considerations before end of Q4 2019.

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