

“a fair playing field for neighbourhood businesses”



Keeping Community Businesses Alive in Vancouver

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The Fair Tax Coalition is an alliance of business improvement associations and other business organizations concerned with the taxation of business properties in the City of Vancouver.

We believe that City Council is concerned about the viability of small businesses in Vancouver. However, Council may not be aware that the civic property tax system in the City imposes a significant burden on the businesses in the community, a very large majority of which are small businesses.

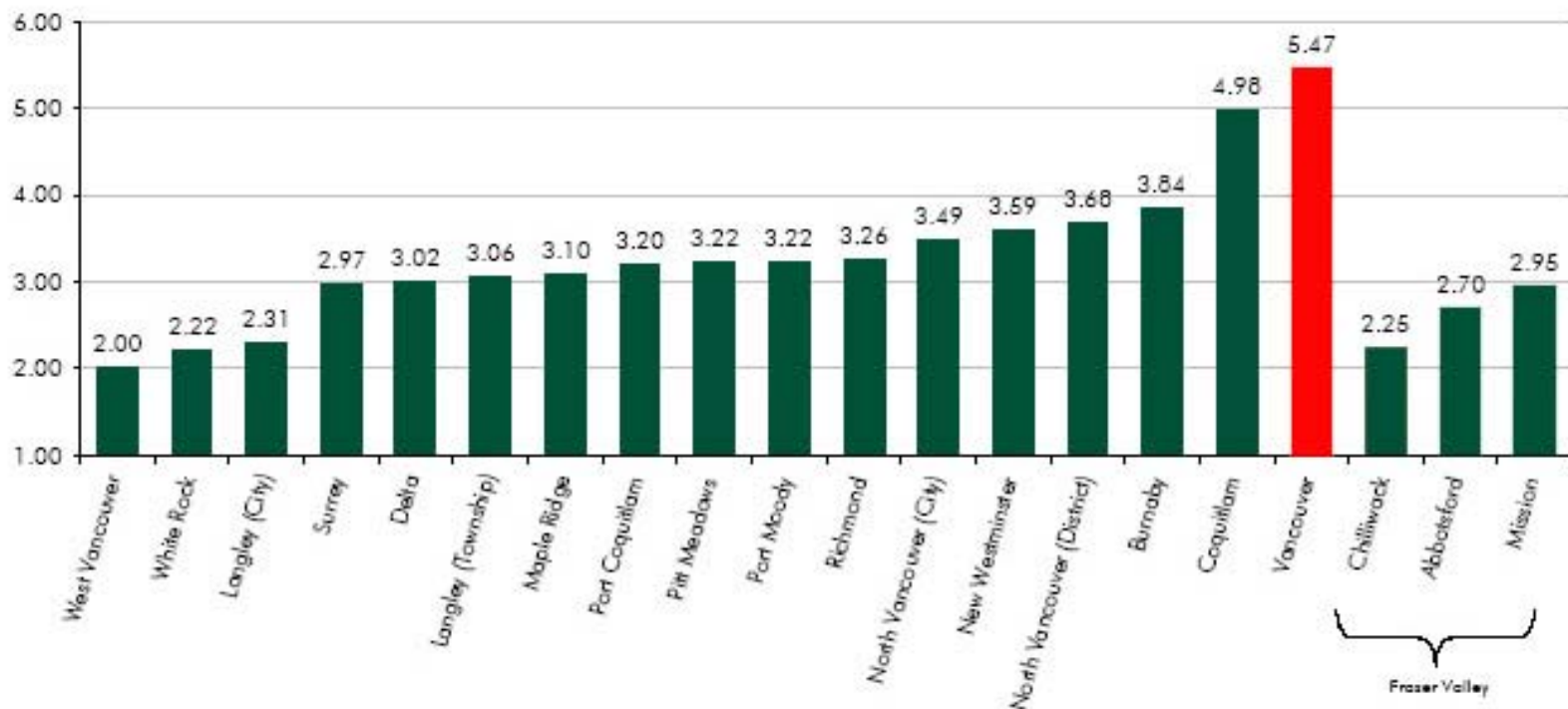
Current policies put local businesses at a serious competitive disadvantage in the region. They threaten the viability of local merchants and services providers and ultimately the local community shopping experience.

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Mill Rate Ratio - Commercial to Residential: About 68% higher than the GVRD Average

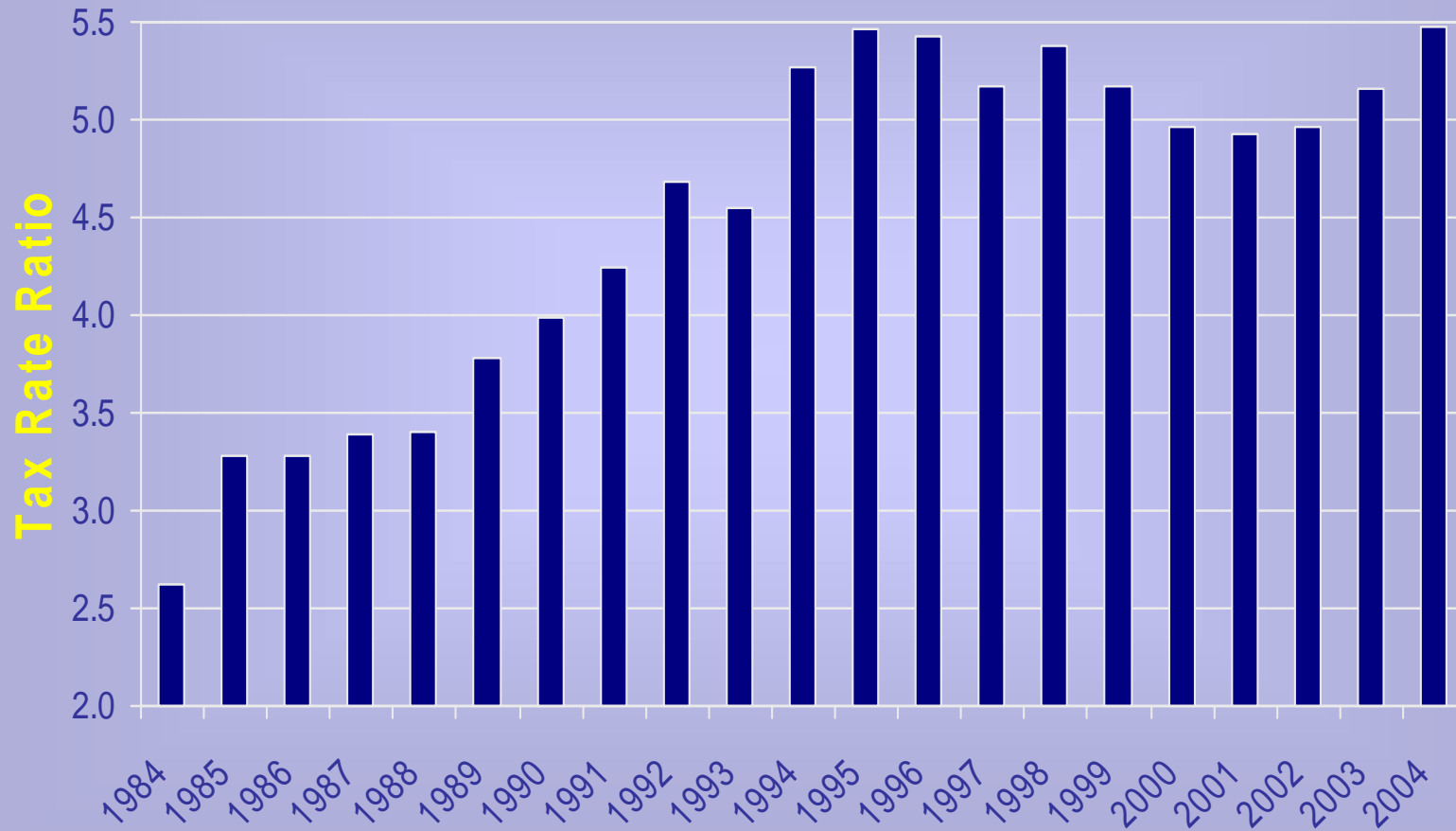


GVRD and Fraser Valley Business to Residential Tax Ratio (2004)



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About a 110% increase in the commercial/residential ratio



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Our tax policy is supporting Big Box on our fringes

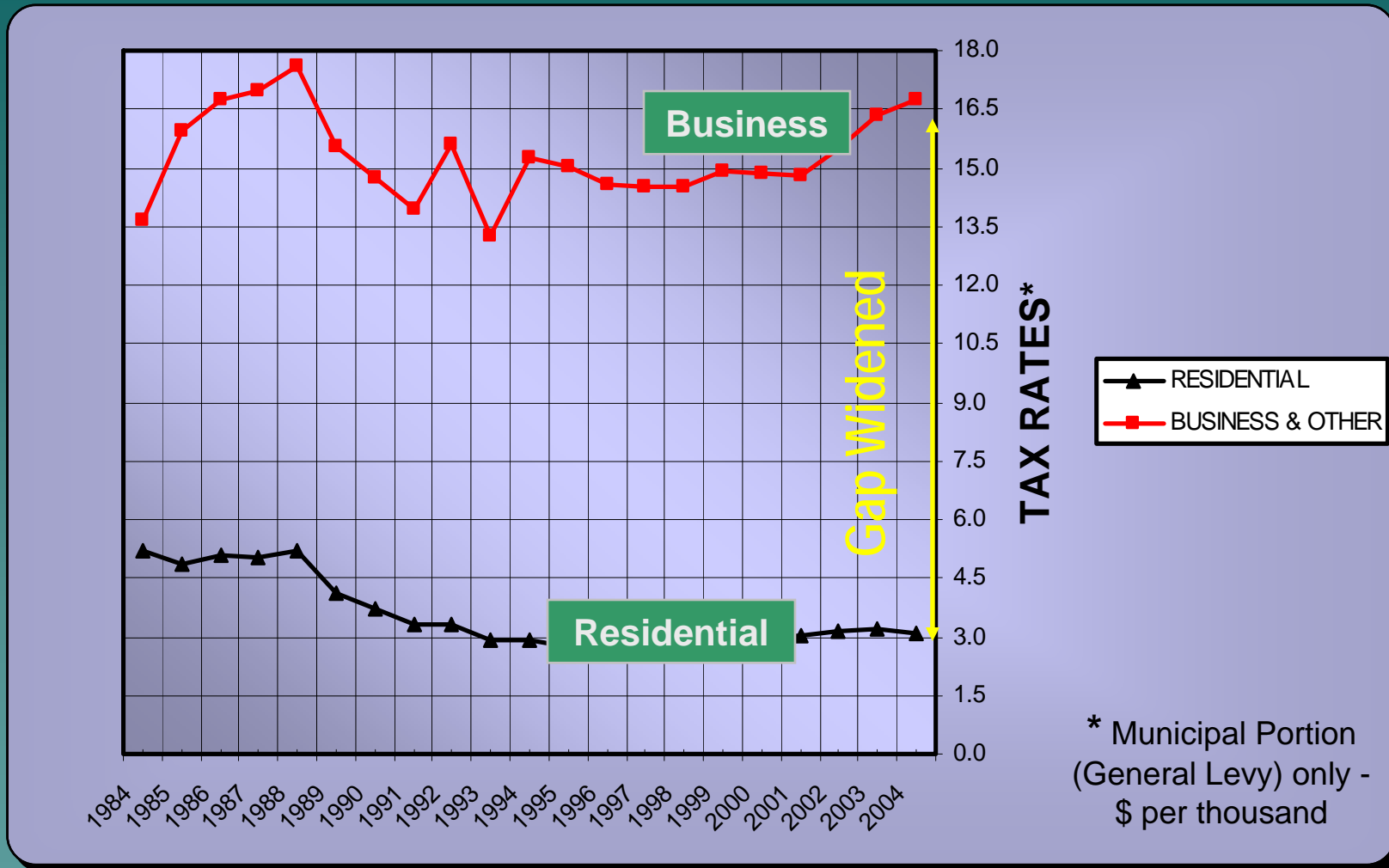


Our merchants and businesses have a hard enough time to compete with the conglomerates just on price alone.

Our relatively high tax ratio is often just too much to absorb given that price pressure.

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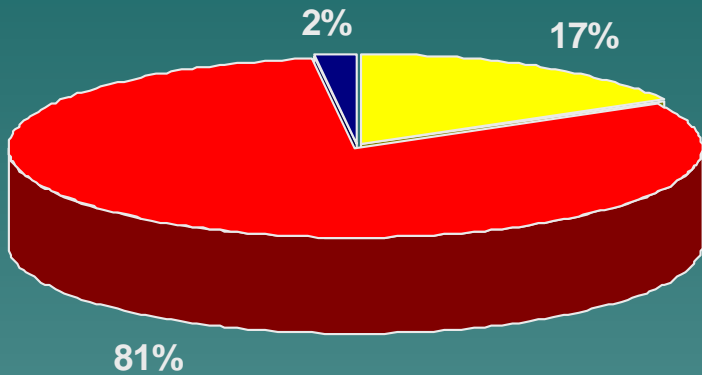
Business Versus Residential Tax Rates



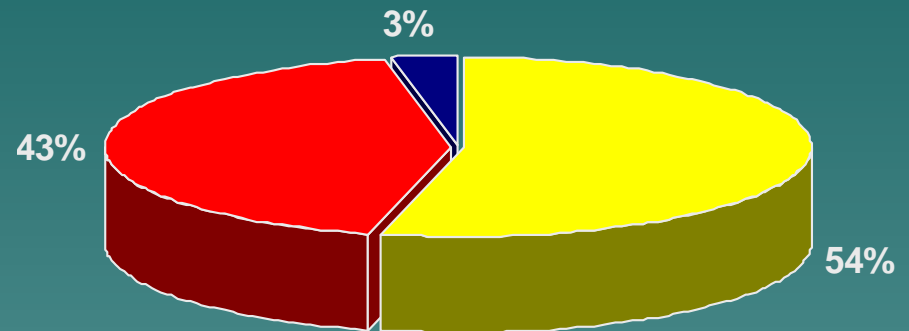
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Commercial & Residential Property Tax Comparisons

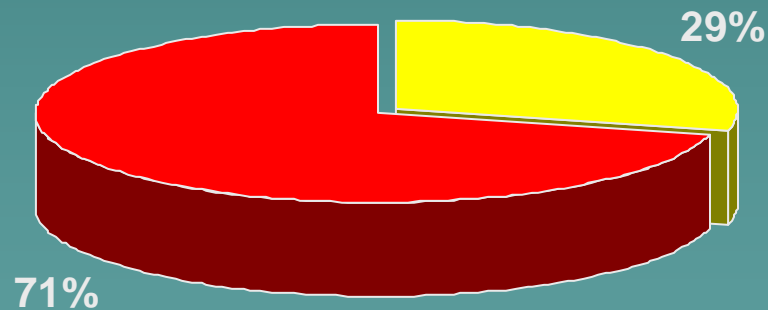
% of Assessment Roll



% of City Taxes Paid



% of City Services Consumed
Based on 1995 KPMG Study



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Office Building Conversion

1333 West Georgia Street



- Currently – office building assessed at \$20,076,000 & contributes **\$576,650** in property taxes
- In a Year – To become a residential building, estimated value of \$47,000,000 & will contribute **\$310,850** in property taxes
- In a Year – If Commercial class still pays 54% of the taxes, it will have one less building to bear the tax burden

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What about the owners?

Unable to raise rents and be competitive, owners may:

Stop maintaining or upgrading properties.

And this is going to happen, not with large downtown owners first, but with small, independent businesses in our neighbourhoods – Main Street, Commercial Drive, Hastings Street, Marpole, etc. The incentive for tenants to leave the neighbourhoods accelerates.



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Which experience and lifestyle will our tax policies support?



Shoppers getting in cars, adding congestion to our roads and more pollution in order to support the mega-stores outside our city and employment in the suburbs or....

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Support for our shopkeepers and businesses in their efforts to provide service and jobs in vibrant, attractive communities.

This last option is consistent with the goals of City planning.

It's about our neighbourhoods.

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Recommendation

Chart a 20 year course to lower the commercial to residential tax ratio to reflect the regional average.

No special treatment, just a fair playing field that supports small, local community-based businesses.

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