

# VANCOUVER FAIR TAX COALITION

Building Owners and  
Managers Association  
British Columbia

Business Improvement  
Area of BC

Chinatown BIA

Commercial Drive  
Business Society

Downtown Vancouver  
Association

Downtown Vancouver  
BIA

Hastings North BIA

Kerrisdale Business  
Association

Kitsilano 4<sup>th</sup> Avenue  
Business Association

Marpole Business  
Association

National Association  
of Industrial and  
Office Properties

Point Grey Village  
Business Association

Retail BC

Robson Street  
Business Association

South Granville BIA

Strathcona BIA

The Vancouver Board  
of Trade

Victoria Drive BIA

UpTown Vancouver  
Mount Pleasant BIA

Yaletown BIA

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## VANCOUVER CITY COUNCIL CANDIDATES' POSITIONS ON THE PROPERTY TAX ISSUE

City council candidates for the three major political parties (COPE, NPA and Vision Vancouver) received a letter and questionnaire from the Vancouver Fair Tax Coalition asking them to clarify their position on municipal property taxes for commercial properties. All candidates responded to our questions.

- COPE sent one response on behalf of four of its five candidates: Anne Roberts, Tim Louis, David Cadman and Ellen Woodsworth. Fred Bass responded on his own.
- NPA: Separate responses were received from Sam Sullivan, Colleen Hardwick-Nystedt, Elizabeth Ball, Kathi Thompson, Peter Ladner, Suzanne Anton, Patrick Maliha, Valerie Jenkinson, Kim Capri, BC Lee and Ronald Leung.
- Vision Vancouver sent one response on behalf of all six candidates: Jim Green, George Chow, Heather Deal, Heather Harrison, Raymond Louie and Tim Stevenson.

This is a complete report of the candidates' responses to our questions.

The Vancouver Fair Tax Coalition is a non-partisan group of local business improvement associations, small business owners and managers, industrial and office property owners and developers, and business associations, which represents thousands of local businesses.

VFTC members are concerned about the high municipal property taxes paid by business properties in Vancouver and are seeking the City of Vancouver's commitment to permanently bring taxes into line with regional and national averages.

For more information, send an email to [info@fairtaxcoalition.com](mailto:info@fairtaxcoalition.com).

10-11-05

**1. Do you agree that businesses are vital to the socio-economic health of our city?**

<b>Candidate</b>	<b>Yes</b>	<b>No</b>	<b>Undecided/Other</b>
COPE - Fred Bass	Yes, except for pernicious ones (e.g. tobacco)		
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth	Yes, on small businesses		
NPA - Colleen Hardwick Nystedt	X		
NPA - Elizabeth Ball	X		
NPA - Peter Ladner	X		
NPA - Kathi Thompson	X		
NPA - Suzanne Anton	X		
NPA - Sam Sullivan	X		
NPA - Patrick Maliha	X		
NPA - Valerie Jenkinson	X		
NPA - Kim Capri	X		
NPA - BC Lee	X		
NPA – Ronald Leung	X		
Vision Vancouver candidates (6)	X		

**2. Do you agree that municipal property taxes on businesses are too high in Vancouver?**

<b>Candidate</b>	<b>Yes</b>	<b>No</b>	<b>Undecided/Other</b>
COPE - Fred Bass	Yes, on small businesses		
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth	Yes, on small businesses		
NPA - Colleen Hardwick Nystedt	X		
NPA - Elizabeth Ball	X		
NPA - Peter Ladner	X		
NPA - Kathi Thompson	X		
NPA - Suzanne Anton	X		
NPA - Sam Sullivan	X		
NPA - Patrick Maliha	X		
NPA - Valerie Jenkinson	X		
NPA - Kim Capri	X		
NPA - BC Lee	X		
NPA - Ronald Leung	X		
Vision Vancouver candidates (6)	X		

**3. Do you agree that the unfair municipal property tax burden on businesses needs to be resolved?**

<b>Candidate</b>	<b>Yes</b>	<b>No</b>	<b>Undecided/Other</b>
COPE - Fred Bass	Yes, on small businesses		
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth	Yes, on small businesses		
NPA - Colleen Hardwick Nystedt	X		
NPA - Elizabeth Ball	X		
NPA - Peter Ladner	X		
NPA - Kathi Thompson	X		
NPA - Suzanne Anton	X		
NPA - Sam Sullivan	X		
NPA - Patrick Maliha	X		
NPA - Valerie Jenkinson	X		
NPA - Kim Capri	X		
NPA - BC Lee	X		
NPA - Ronald Leung	X		
Vision Vancouver candidates (6)	X		

**4. Are you prepared to keep commercial municipal property taxes to the 2005 level for the 2006 budget?**

<b>Candidate</b>	<b>Yes</b>	<b>No</b>	<b>Undecided/Other</b>
COPE - Fred Bass		No, this would be preferable but unlikely	
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth			If the provincial government grants the City of Vancouver the power requested to establish separate tax categories for large and small businesses, the City could hold the line or reduce taxes for small businesses.
NPA - Colleen Hardwick Nystedt	X		
NPA - Elizabeth Ball			X
NPA - Peter Ladner	X		
NPA - Kathi Thompson	X		
NPA - Suzanne Anton			Prepared to reduce the discrepancy between commercial and residential.
NPA - Sam Sullivan		No, but as low as possible	
NPA - Patrick Maliha	X		
NPA - Valerie Jenkinson	Yes, to the best of my ability		
NPA - Kim Capri			X
NPA - BC Lee	Yes (to be honest, we need to look at the real and true picture of the city – financial picture – before I can comment)		
NPA – Ronald Leung			X
Vision Vancouver candidates (6)			Undecided. We don't have enough information at this point but I am committed generally to keep taxes as low as possible while protecting services and I want to take steps to avoid further deterioration in the ratio of commercial to residential tax burdens.

**5. Are you in favour of a long-term solution that brings commercial municipal property tax rates in line with regional and national averages?**

<b>Candidate</b>	<b>Yes</b>	<b>No</b>	<b>Undecided/Other</b>
COPE - Fred Bass			Can't solve this without solving the huge issue of broader sources of reliable municipal revenues
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth			Regional and national averages can help inform the debate and decision-making regarding what are appropriate levels of taxes and what are appropriate rates of taxation for the various classes of property. Of course, in the end, the decision must be the best for Vancouver considering its unique history, culture, economic and social climate.
NPA - Colleen Hardwick Nystedt	X		
NPA - Elizabeth Ball	X		
NPA - Peter Ladner	X		
NPA - Kathi Thompson	X		
NPA - Suzanne Anton	X		
NPA - Sam Sullivan	X		
NPA - Patrick Maliha	X		
NPA - Valerie Jenkinson	X		
NPA - Kim Capri	X		
NPA - BC Lee	X		
NPA – Ronald Leung	X		
Vision Vancouver candidates (6)	This problem took years to get to this point under the NPA and I agree with Board of Trade suggestions that a long-term solution will be required as well – one that does not subject residential homeowners to a real jump.		

**6. Would you support an interim, minimum one per cent reduction of commercial municipal property taxes for the 2006 budget, while a long-term solution was determined?**

<b>Candidate</b>	<b>Yes</b>	<b>No</b>	<b>Undecided/Other</b>
COPE - Fred Bass			Undecided, depends on the services at stake, and the budget for 2006
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth		No, as it would depend on the particular revenue sources and service levels required for the budget year.	
NPA - Colleen Hardwick Nystedt			X
NPA - Elizabeth Ball	X		
NPA - Peter Ladner	X		
NPA - Kathi Thompson	X		
NPA - Suzanne Anton			Prepared to reduce the discrepancy between commercial and residential.
NPA - Sam Sullivan	X		
NPA - Patrick Maliha	X		
NPA - Valerie Jenkinson	X		
NPA - Kim Capri	X		
NPA - BC Lee	Yes (again, we need to look at the real and true picture of the city – financial picture – before I can comment to a specific figure)		
NPA – Ronald Leung			X
Vision Vancouver candidates (6)			I supported a .5 percent reduction in 2003, as recommended by the Board of Trade, but it proved ineffective. I am certainly open to this approach again if it seems likely to have a beneficial effect.

**7. Would you like to share your views on this issue with our members? Please do so, keeping your comments to approximately 100 words.**

<b>Candidate</b>	<b>Commentary</b>
COPE - Fred Bass	<p>Business tax rates, which City Council governs, are one element of the financial environment faced by Vancouver businesses. Assessed value, which is determined by the Provincial Assessment Authority, and tax classes, which are provincial jurisdiction are another. COPE has asked the Province for separate tax classification for large and small businesses, which would allow us to establish a friendlier rate for small businesses.</p> <p>The City of Vancouver should also be looking more broadly at how we can promote economic development, short-and long-term, and how we can optimize regional economic development.</p>
COPE - Anne Roberts, Tim Louis, David Cadman & Ellen Woodsworth	<p>A business-friendly environment is multi-faceted, including civic taxes, provincial taxes, federal taxes, all government regulations, land prices, rents, employee education levels, health insurance, labour laws, interest rates, housing, culture, environmental regulations, etc. etc. At any one time, different variables carry different weight in terms of the success of any business. We need a thorough study to determine whether civic taxes play a significant role in determining the success of a business and, to what extent. Once it is determined what are the most critical factors, we can then determine what public policies can best improve the business climate. From Business Improvement Associations, to Heritage Incentives, to transit improvements, to re-zoning and density bonuses, the city has implemented a number of programs and policies that benefit business. We should look at the entire range of ways to do economic development (for example, perhaps a Buy Local campaign would do more than a tax shift to benefit small businesses.) A regional economic development policy is also needed.</p>
NPA - Colleen Hardwick Nystedt	<p>Vancouver's existing property tax system is a drastic need of an overhaul. Not only has it failed to address a fundamental shift in the balance between commercial and residential activities in the City, it has not evolved to reflect the changing relationship between live and work space engendered by technological advancement.</p> <p>The fact that no one wants to address the fact that property in commercial use is taxed at exorbitant rates reflects the sad reality that raising residential property taxes is tantamount to political suicide for municipal politicians. The solution requires careful analysis toward engendering an equitable continuum of property tax applications in order to update for the 21<sup>st</sup> century.</p>
NPA - Elizabeth Ball	<p>Vancouver is one of the most desirable cities in the world, largely because of our policy, which creates vibrant communities where people can live AND work. It is vital that the unfair tax burden on businesses be redressed so that services and jobs remain in our neighbourhoods.</p>

NPA - Peter Ladner	As the only member of the current council with experience owning and running a small business, I understand this issue directly. We have to keep businesses of all sizes alive and thriving in our city. Without a healthy business sector, we have a dead city. Without fairer taxes, we will continue to drive jobs to the suburbs and contribute to the collapse of the small businesses that are essential to healthy neighbourhoods. The more businesses shut down or leave, the heavier the burden on those that remain.
NPA - Kathi Thompson	Without a strong, healthy business environment we won't have the funds for infrastructure costs, social programs, cultural events, et cetera. We need to attract and retain business!
NPA - Suzanne Anton	We in the NPA are prepared to: Reduce the discrepancy between commercial and residential rates Treat small and large business the same for tax purposes Support the economic development commission Keep Vancouver prosperous Begin planning for post 2010
NPA - Sam Sullivan	<p>Vancouver is one of the greatest cities on the planet but also has serious problems that need to be addressed such as dealing with tax issues, the loss of our AAA credit rating and an escalating tax burden. Vancouver voters have a simple solution – vote for me and the NPA team. We will work to bring good fiscal management back to City Hall.</p> <p>Because of mismanagement under Vision/COPE, your taxes will likely go up 7% next year simply to pay for existing services. Our businesses struggle under one of the highest tax ratios on the continent. The NPA is committed to addressing these serious and important issues.</p>
NPA - Patrick Maliha	I will do everything in my power as a city councilor to insure that small business property taxes are lowered. I am fully committed to this issue. Please check my website for further details.
NPA - Valerie Jenkinson	As a small business owner since 1980 I empathize with the tax situation faced by business. Unless we create a more level playing field with other jurisdictions we will lose more business in Vancouver, which would result in more pressure on those that stay and have a downward spiral effect. Eventually if our business base erodes a huge portion of taxes paid by business would have to be paid by those who remain which would be residential property owners. I have worked in Economic development throughout the province and subscribe to the business retention model of economic development. I was also President of Sales and Marketing Executives and have worked with Retail Merchants Ass. Most importantly we must have more fiscal prudence at the City so if we shift 1% over to residential we do not have to have an overall tax increase. I have met with many of the BIAs and did offer to meet with each one to hear their concerns directly but would be more than happy to meet with you.

NPA - Kim Capri	Business plays a vital role in every Vancouver neighbourhood. Businesses are community partners and Vancouver must take steps to reduce the 6:1 ratio between business and residential taxes. Shifting the taxes by one per cent each year is a good start. Vancouver wants to ENCourage not DIScourage our business partners.
NPA - BC Lee	<p>I am absolutely favorable to a fair tax rate between commercial and residential property.</p> <p>However, as the City Staff suggested, in order to cover the expenditure commented by the COPE Council, we have to raise tax up to 7% next year. We need to be realistic. That's why I hesitate to make any commitment to any specific timeline and figure.</p> <p>My basic principles to this matter are:</p> <ol style="list-style-type: none"> <li>1. Lower tax will encourage and stimulate business, and prosperous business will increase tax base in return.</li> <li>2. When business is active and vibrant, there are always other avenues where we can increase revenue. We need to expand our horizon and creativity.</li> </ol>
NPA – Ronald Leung	We need to encourage increased investment and economic growth in Vancouver. Economic growth will expand the tax base. An expanded tax base will provide stable or growing revenues to fund public services, while limiting or reducing the tax burden on individual households and businesses.
Vision Vancouver candidates (6)	We are committed to find a solution. One option may be targeted tax relief for the small neighbourhood businesses operating in leased premises that are the commercial backbone of our neighbourhoods. This could be done by establishing a new small business category with a tax rate set separately from the other classes. Or we could use a grant program, modeled on the homeowner grant, set up specifically to benefit neighbourhood businesses. Either way, co-operation of the provincial government will be required to amend the provincial legislation governing these matters. This should be a top priority for the new council elected this November.