

January 17, 2017

Mayor and Council
Township of Esquimalt
1229 Esquimalt Rd.
Victoria, BC V9A 3P1

Re: Sustainable, Fair, and Transparent Property Taxes

Dear Mayor Desjardins,

On behalf of the Greater Victoria Chamber of Commerce and its more than 1,400 member organizations, I would like to understand how the Township of Esquimalt sets its mill rates and to know whether property owners can expect an overall property tax increase in excess of the inflation rate.

We appreciate the context-setting statistics provided by the Union of British Columbia Municipalities (UBCM) at the October 2016 presentation to the B.C. Commission on Tax Competitiveness:

- Using 2016 data, the total property tax levy in B.C. totaled \$7.3 billion. Of this total, however, just \$4.1 billion – or 56 percent - was for municipal taxation. Regional District, transit and some other taxing jurisdictions represent 10 percent. The remaining 34 percent of the 2016 property tax supported provincial services.
- Of the \$4.1 billion in municipal property taxes referenced above, 61 percent of this share is levied to residential taxpayers, 37 percent to businesses and 2 percent to other properties.

One of our concerns is the difference - or ratio - between property taxes. In your municipality, for example, the 2016 mill rates were 7.82484 for residential and 22.73613 for commercial, for a ratio of 1 to 2.9.

That means in 2016 that an average Township of Esquimalt resident would have paid \$3,779 in property taxes (before any grants) on a residence valued at \$483,000, while a business would have paid \$10,982 on a commercial property of the same value. The rationale for this ratio is unclear, and requires more transparency.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT
For Information:
 CAO Mayor/Council

RECEIVED: JAN 24 2017
Referred: _____
 For Action For Response COTW
 For Report Council Agenda IC

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The Greater Victoria Chamber of Commerce's position is that taxes should be sustainable, transparent, and fair. Businesses need to understand what affects their bottom line and profit margins. Communities need to recognize and appreciate how businesses contribute to healthy communities. In the end, property taxes affect a business' competitiveness and a community's level of attraction to investors and new businesses.

We urge you to do all you can to ensure - at the very least - that any overall property tax increases do not exceed expected inflation and that the ratios between property tax classes do not increase. With our region facing serious challenges such as the rising costs - and decreasing inventories - of housing and inadequate transportation system, we simply do not need any more disincentives to do business in Greater Victoria.

I look forward to gaining a better understanding of property taxes within the Township of Esquimalt.

Sincerely,

A handwritten signature in blue ink that reads "Catherine". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Catherine Holt
Chief Executive Officer

Enclosure: Greater Victoria 2016 Residential and Commercial Mill Rates

Greater Victoria 2016 Mill Rates (Residential and Commercial)

Updated: January 16, 2017

Municipality	2016 Residential Rate	2016 Commercial Rate	2016 Ratio	2015 Ave. Property Value ¹	2016 Ave. Residential Taxes	2016 Ave. Business Taxes
Central Saanich	6.92889	16.20779	1:2.3	\$527,500	\$3,655	\$8,550
Colwood	6.7904	24.1616	1:3.6	\$435,700	\$2,959	\$10,527
Esquimalt	7.82484	22.73613	1:2.9	\$483,000	\$3,779	\$10,982
Highlands (SD ² 1)	5.8950	20.9657	1:3.6	\$517,800	\$3,052	\$10,856
Highlands (SD2)	6.1517		1:3.4		\$3,185	
Highlands (SD3)	5.8578		1:3.6		\$3,033	
Langford	5.9665	17.8579	1:3	\$402,200	\$2,507	\$7,504
Metchosin	3.2499	11.4398	1:3.5	\$525,700	\$1,708	\$6,014
North Saanich	4.6147	19.8333	1:4.3	\$663,000	\$3,060	\$13,149
Oak Bay	6.0601	15.5345	1:2.6	\$785,900	\$4,763	\$12,209
Saanich (SD1)	6.40717	21.8305	1:3.4	\$544,500	\$3,489	\$11,887
Saanich (SD63)	6.36997		1:3.4	\$686,800	\$4,375	\$14,993
Sidney	6.19211	16.79481	1:2.7	\$453,600	\$2,809	\$7,618
Sooke	6.94079	18.07772	1:2.6	\$362,300	\$2,515	\$6,550
Victoria	6.8297	21.4646	1:3.1	\$547,200	\$3,737	\$11,754
View Royal (SD61)	5.83094	19.25562	1:3.3	\$509,200	\$2,969	\$9,805
View Royal (SD62)	6.08764		1:3.2		\$3,100	

¹ 2015 average single family dwellings (BC Assessment)

² SD = School District