



Finance Select Committee

Date: Thursday, February 21st, 2002
Place: Anderson Room
Richmond City Hall
Present: Councillor Harold Steves, Chair
Councillor Evelina Halsey-Brandt
Councillor Rob Howard
Councillor Bill McNulty
Absent: Councillor Kiichi Kumagai
Also Present: Councillor Lyn Greenhill
Call to Order: The Chair called the meeting to order at 4:00 p.m.

MINUTES

1. It was moved and seconded
That the minutes of the meeting of the Finance Select Committee held on Thursday, January 17th, 2002, be adopted as circulated.

CARRIED

2. **DEVELOPMENT COST CHARGE REVIEW**
(Report: Jan. 7/02, File No.: 1070-04-03) (REDMS No. 630211)

The Director of Finance, Danley Yip, introduced the Manager, Special Projects, Graham Willis.

Discussion then ensued among Committee members and Mr. Willis on matters relating to Development Cost Charges (DCC), including:

- whether a review of the industrial DCC rates was necessary, based on the recent presentation by the Urban Development Institute to the Planning Committee on such matters as DCC rates charged by the City

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- commercial DCC rates and whether Richmond's rates could be adjusted between the industrial and commercial categories to provide a better balance between the two
- the different DCC rates charged for 'for sale' and 'rental' housing and the need to examine the rates charged for 'affordable' housing
- the need to update DCC rates on an annual basis, and how this update could be managed.

Staff were requested to provide in a future report, information on (i) every cost borne by the developer, i.e. property and utility taxes, DCCS, etc., and (ii) the length of time required to complete development process, as compared to other municipalities. A brief discussion then ensued on this request, during which clarification was provided on the information being sought.

Mr. Knapp addressed the Committee briefly on the payment of DCCs by the City (or the City's developer) for the Odlinwood project.

It was moved and seconded

That the report (dated January 7th, 2002, from the Director, Finance), regarding Development Cost Charges Review, be received for information.

CARRIED

3. **LOAN AUTHORIZATION BYLAW NO. 6656 – ACQUISITION OF LANDS IN TERRA NOVA (NORTHWEST QUADRANT)**

(Report: Feb. 11/02, File No.: 1040-01) (REDMS No. 630223)

It was moved and seconded

That the report (dated February 11, 2002 from the Director of Finance) regarding Loan Authorization Bylaw No. 6656 – Acquisition of Lands in Terra Nova (Northwest Quadrant), be received for information.

The question on the motion was not called, as the Director, Finance, Danley Yip, responded to questions from Committee members, advising that:

- the remaining funds in the Terra Nova Provision Account had been acquired through property taxation
- of the four remaining properties still to be purchased, two of these properties were valued together at approximately \$6.0 to \$7.0 Million
- sufficient funds were available to acquire the properties in question
- the City did not pay additional fees to the Municipal Finance Authority for the unused portion (\$8,538,500) of Loan Authorization Bylaw No. 6656.

The question on the motion was then called, and it was **CARRIED**.

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4. **PROPERTY TAX INCREASES – ORAL REPORT**

The General Manager, Finance & Corporate Services, Jim Bruce, provided information to the Committee on the impact of a proposed 5.28% or a 4.23% property tax increase to individual homeowners.

Discussion ensued among Committee members and Mr. Bruce on the information provided, during which he explained that a number of taxpayers would be receiving a decrease in their 2002 property taxes because of changes in property assessments for specific categories. He further advised that if the City needed to generate a certain amount of revenue, the mill rate would have to be adjusted accordingly.

During the discussion Mr. Bruce further advised that information would be provided to Council on the impact which the application of casino gaming revenue to the 2002 budget could have on the 5 Year Financial Plan. He noted that this action would have a major impact on the upcoming 2003 budget.

5. **NEXT MEETING**

The next meeting of the Committee is scheduled to be held on Thursday, March 21st, 2002.

6. **TAXATION OF FARMLAND WHICH IS NOT BEING ACTIVELY FARMED**

Councillor Evelina Halsey-Brandt referred to the religious facilities located on agricultural land along No. 5 Road, and to the promises of the owners of those properties that two-thirds of the backlands would be farmed. She noted that farming had not taken place on these properties and questioned whether there was any means available to tax agricultural properties which were not actively farmed.

Discussion ensued among Committee members and staff on this issue, during which information was requested on (i) the current number of inactive agricultural properties; and (ii) whether the City could approach the Provincial Government about addressing this issue. It was noted that the Provincial Government was intending to give individual municipalities more power, and the comment was made that municipalities should be empowered to tax agriculturally classed land which was not being farmed or rotationally farmed.

Discussion continued on the options which were available to the City, such as withdrawing property tax exemptions for those religious properties where farming of agricultural land was not taking place, until such time as farming did occur. Reference was also made to a report prepared by Mr. Ian Chang, a former City employee, on the No. 5 Road backlands.

As a result of the discussion, it was agreed that staff would bring forward the report on the No. 5 Road backlands forward for review by the Committee.

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ADJOURNMENT

It was moved and seconded
That the meeting adjourn (4:37 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance Select Committee of the Council of the City of Richmond held on Thursday, February 21st, 2002.

Councillor Harold Steves
Chair

Fran J. Ashton
Executive Assistant