



GREG HALSEY-BRANDT, MLA
Richmond Centre Constituency

March 10, 2004

Mr. Richard McKenna
City Clerk
Richmond City Hall

Dear McKenna,

On behalf of Frederick Chan, General Manager of Parker Place, and a number of other commercial strata property owners in the Lower Mainland, please accept this as a request for Mr. Bob Tai, President, Parker Place Mall, Phase 1, and myself to make a brief 10 minute presentation to the General Purposes Committee of April 5, 2004.

The subject matter is Commercial Strata Assessment and the concerns about the equity of treatment in terms of assessment for commercial strata malls versus traditional leasing malls.

Once the date is confirmed, a background presentation package will be forwarded to your office for the General Purposes Committee agenda. Thank you for your consideration of this request.

Yours sincerely,

Greg Halsey-Brandt
MLA – Richmond Centre

cc: Mr. Frederick Chan
General Manager, Parker Place Mall

Presentation to the Council of City of Richmond, BC

The delegation comprising representatives from stratified shopping malls in Richmond, British Columbia expresses thanks to the Council of the City of Richmond for their valuable time set aside for this meeting.

The main aim of the meeting is to seek the City Council's support on pursuing a fair property tax assessment between strata and non-strata commercial properties.

The property owners of the strata malls are law-abiding and willing to pay property tax under a fair assessment system. However, the different calculation approaches adopted by the BC Assessment for the strata and non-strata properties had created an unfair assessment situation. The owners of the strata malls have to pay up to two and a half times the tax paid by the owners of non-strata malls, even the two types of malls are located side by side in the same business environment.

This unfair phenomenon was even used by a developer as a favorable feature for renting the non-strata mall units by stating that the comparatively low property tax could reduce the operating costs.

A paper summarizing the issue and the delegation's effort in this regard is attached for reference.

The delegation recommends that

- (a) To change the provincial law to include an **additional class** for the strata commercial properties, namely "Business – Strata";
- (b) To **regulate** and adjust the City's **tax rates** in order to achieve a fair level of property tax payment between the new proposed business class and the existing business class.

The delegation sincerely hopes that the City Council will consider actively the above recommendations with a view to having a **fair** property tax assessment system between the strata and non-strata commercial properties.

Unfair Property Tax Assessment Between Strata and Non-strata Shopping Malls

Difference in Property Assessments

The stratified shopping malls in the City of Richmond, British Columbia, came into existence as from early 90's. Because of the difference in the form of ownership between the stratified and non-stratified commercial centers, BC Assessment adopted difference assessment approaches for these two different kinds of properties. In the 90's, owners of stratified malls **paid up to four times** the amount of property tax paid by the malls owned by a single entity, even the two types of the malls are in the same vicinity and business environment. As a result, the commercial strata shop owners suffer a very significant business disadvantage in relation to the shops in non-strata malls. The attached comparison table "A" showing the assessed values between the two types of properties concerned in recent years reflects that the owners of stratified malls still had to **pay up to two and a half times** the tax paid by the owners of non-stratified malls.

Appeals and Efforts

Over the years, the owners of stratified shopping malls voiced this unfair issue to BC Assessment, local MLA's and the City, and launched appeals against the property tax assessment to Property Assessment Appeal Panel and Property Assessment Appeal Board. In May 2000, a delegation representing a number of strata malls submitted a signature petition from 400 stratified shop owners to the Legislative Assembly in Victoria, British Columbia. However, the levels of tax assessments between the two types of commercial properties still pose a great difference.

On September 12, 2003, the delegation had addressed Minister Halsey-Brandt the issue and the Minister is delighted to pursue the case with the provincial government.

On October 2, 2003, Minister Halsey-Brandt delivered an innovative speech regarding the **possible solution** to the issue at a lunch meeting. Minister Halsey-Brandt said that the change of the existing provincial law to include an additional class "Business – Strata" and also by adjusting the tax rates concerned might be the answer.

The delegation met (1) Mr. Stan Hagan, Minister of Sustainable Resources Management on November 5, 2003, and (2) Mr. George Abbott, Minister of Community, Aboriginal and Women's Services, on December 9, 2003, and (3) Mr. Richard Taylor, Executive Director of Union of British Columbia Municipalities on

December 12, 2003, in the presence of Minister Halsey-Brandt to submit the following recommendations.

Recommendations

It is recommended that

- (a) To change the provincial law to include an **additional class** for the strata commercial properties, namely "Business – Strata";
- (b) To **regulate** and adjust the City's **tax rates** in order to achieve a fair level of property tax payment between the new proposed business class and the existing business class.

It is sincerely hoped that the provincial and city governments will consider actively the above recommendations with a view to having a **fair** property tax assessment system between the strata and non-strata commercial properties.

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Non Strata Vs Strata
 Comparison of Property Assessed Value

| Year | Non Strata (Assessed Value Per Sq. Ft.) | | | Strata (Assessed Value Per Sq. Ft.) | | | |
|------|---|----------------|-----------------|-------------------------------------|-----------------|---------------|---------------|
| | Lansdowne Mall | Central Square | Aberdeen Centre | Parker Place I | Parker Place II | Empire Centre | Yaohan Centre |
| 1999 | 228 | 330 | 259 | 441 | | | |
| 2000 | | 277 | 257 | | | | |
| 2001 | | 277 | 252 | 424 | 460 | 373 | 310 |
| 2002 | | 260 | 244 | 422 | 483 | 474 | |
| 2003 | 191 | 260 | 254 | 450 | 485 | 488 | 324 |

In the recent 3 years (2001 - 2003), the assessed values of Strata properties are 23% to 255% higher than those of Non Strata properties, even the two types of properties are in same vicinity and of similar sizes, usage and business environment.

Non Strata Vs Strata
Comparison of Property Assessed Value

| Year | Non Strata (Assessed Value Per Sq. Ft.) | | | | | Strata (Assessed Value Per Sq. Ft.) | | | | |
|------|---|---------------------|----------------|----------------|-----------------|-------------------------------------|-----------------|---------------|---------------|--|
| | Richmond Centre (N) | Richmond Centre (S) | Lansdowne Mall | Central Square | Aberdeen Centre | Parker Place I | Parker Place II | Empire Centre | Yaohan Centre | |
| 1999 | 365 | 391 | 228 | 330 | 259 | 441 | | | | |
| 2000 | | | | 277 | 257 | | | | | |
| 2001 | | | | 277 | 252 | 424 | 460 | 373 | 310 | |
| 2002 | | | | 260 | 244 | 422 | 483 | 474 | | |
| 2003 | 377 | 483 | 191 | 260 | 254 | 450 | 485 | 488 | 324 | |

In a leasing advertisement (as attached) for the Aberdeen Centre, it lists 10 special features for the mall.

The No. 10 feature states that

"10. At present, Aberdeen Centre is for leasing only. Under the current calculation method, the property tax is obviously much less than that of a stratified shopping mall. It directly reduces the renters' operating costs."

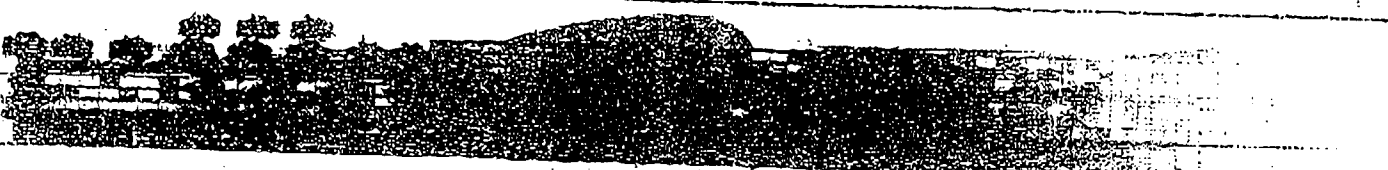
第一般商場的 10 大特點

1. 時代坊的商場是進行中心 (位於 Aberdeen Centre 外圍)，歷年獲選為世界各大電視頻道，如 CNN、CNBC、BBC、TIME 時代周刊、美國當日報等報導的焦點。現在，更獲選為新時代雜誌的封面，並獲選為最佳的新商場，加上新穎的裝修，人氣即急已旺，新開幕後更吸引區內商家蜂擁，日日高朋滿座。

2. 時代坊的租戶層面不同於他人也。它的租戶與設計，已吸引社會各界的注意。時代坊的租戶層面有地方人士時常聚集中心。

3. 時代坊在大學中設有大型圖書館，成為一個新一類「設計式」的大型天幕；此外，它的無線互聯網系統，讓客可在商場無線上網，這些特色即是這異國商場中的新穎，發展商將會協助其科技公司，極力協助時代坊成為全國最受高科技的商場。

4. 時代坊的發展商新時代集團，其在康得邦的領導地位，有利於將來推廣及宣傳。現時，新時代集團擁有兩個全國性的中文傳媒平台：全國廣播電台，一份全國最流通的加拿大中文雜誌及一間全國最大的中文媒體電子商務公司，這些獨特的元素，將令日後推廣事半功倍。



5. 同類型的購物商場及地點並不多，在時代坊建立一個銷售點，是開拓北美洲遠東的商機，一個中西交匯的橋樑。



6. 時代坊將較其他商場有更多的慶典及活動，相承的節目配合新時代集團的強大傳媒實力，時代坊是必人流如織。

7. 大陸、台灣、香港及亞洲各地的世界級投資者，透過與新時代集團合作，時代坊將是一個開拓才匯集之地，更將帶來商機無限。透過這些傳媒而令新時代坊更旺，為商場帶來無限商機。

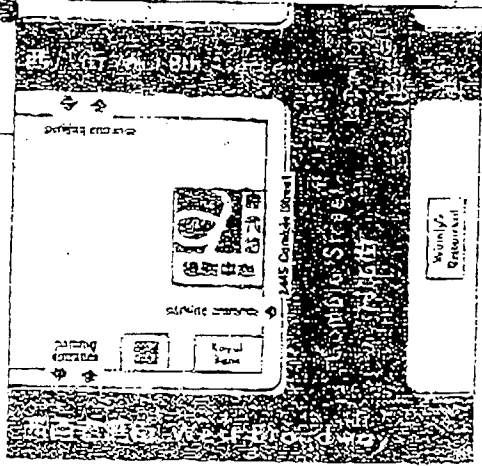
8. 時代坊的發展，成功吸引到 Science World (科學館) 前所未有地在商場內設立分店，而 HSBC 匯豐銀行亦決定於時代坊開設大型分行，足以證明時代坊的潛質。國際航空公司亦準備安排給予時代坊商場飛行櫃檯及計劃，作為它在北美的推廣計劃平台，而發展商亦邀請了多位大師林墨也為時代坊攝影，表示此商場能配合今天地利人和的上佳環境和條件，有利鋪位生意興隆。時代坊接獲加拿大總理馬龍尼全國各專櫃獨特的商標。

9. 時代坊租戶搶手，租賃反應熱烈，顯示發展商時代坊信心十足，發展商亦已增建樓層，如能發展與時代坊相連，錦上添花。

10. 時代坊租戶出租，在目前的物業競爭方式下，比於傳統式商場所應付之選擇則少很多，且租金租戶大減其租額的支。

Aberdeen Centre

總行：66-526 West Broadway (即 2446 Cambie Street), Vancouver
 電話：604-270-1234
 傳真：604-273-7970
 電郵：leasing@aberdeencentre.com
 網址：www.aberdeencentre.com

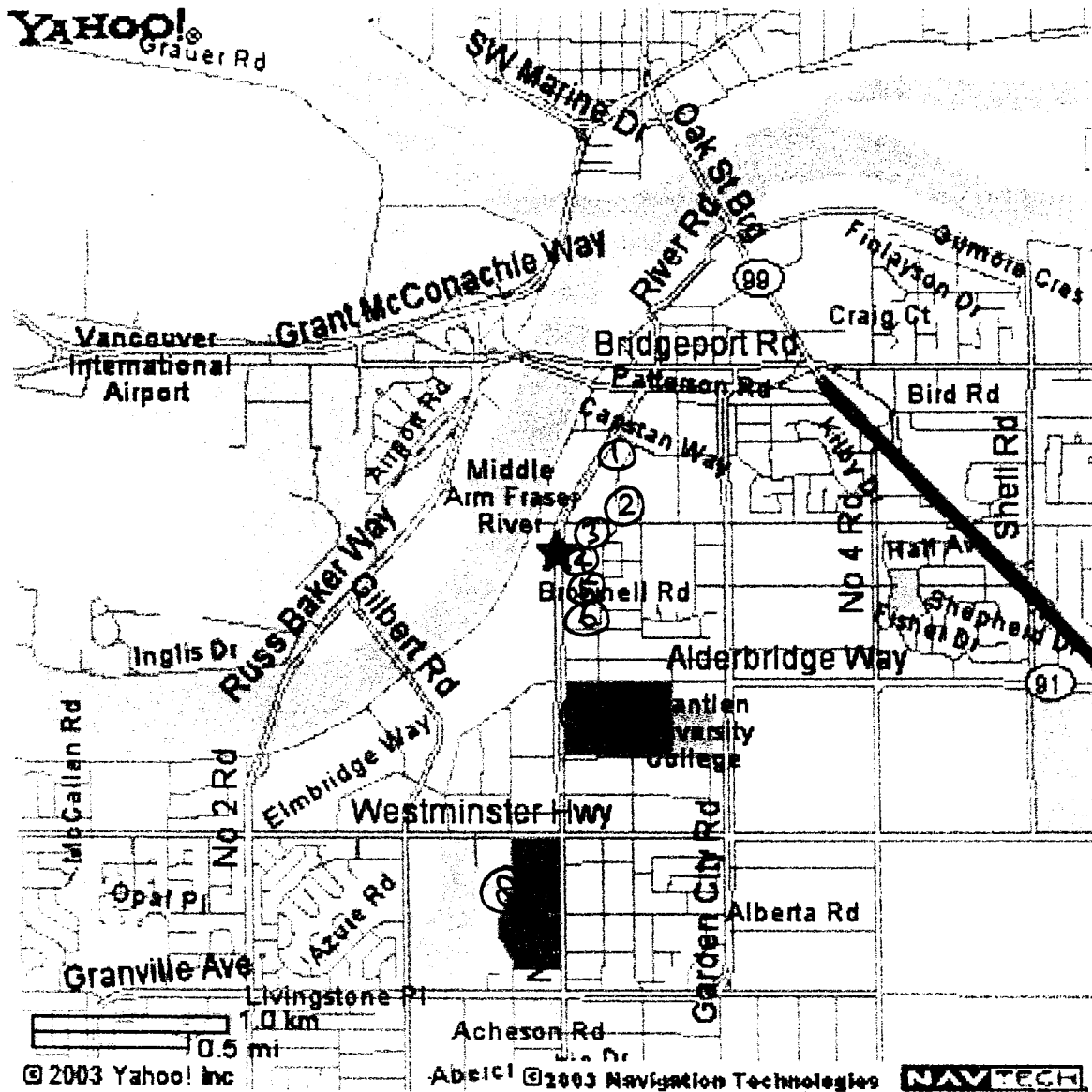


Strata Commercial Units

| City/Municipality | Property Name (Mall) | Strata Units |
|-------------------|------------------------|--------------|
| Richmond | Parker Place I | 106 |
| | Parker Place II | 52 |
| | Empire Centre | 137 |
| | Yaohan Centre | 95 |
| | Richmond Public Market | 86 |
| | Pacific Plaza | 265 |
| | Cosmo Plaza | 216 |
| | Continental Centre | 89 |
| | Union Square | 109 |
| | | |
| | Sub-total | 1155 |
| Burnaby | Crystal Mall | 281 |
| | Total | 1436 |

Note: The above figures do not cover all enclosed strata malls and street strata malls owing to the lack of information.

mall locations (400x400x256 gif)



1. Yaohan Centre
2. Continental Centre
3. Aberdeen Centre
4. Central Square
5. Parker Place I & II
6. Empire Centre
7. Lansdowne Mall
8. Richmond Centre South & North