



CITY OF RICHMOND

REPORT TO COMMITTEE

TO: Finance Select Committee
FROM: Ivy Wong
Manager, Property Taxes
RE: Unpaid Taxes

DATE: June 8, 2000
FILE: 0925-01

STAFF RECOMMENDATION

Staff continues to monitor the status of the unpaid taxes and to actively pursue all avenues in collecting from former tenants of Crown land.

Ivy Wong
Manager, Property Taxes

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STAFF REPORT

ORIGIN

The February Monthly Key Indicator report showed that unpaid taxes for February 2000 increased by 15.95% from the same month in 1999. Due to this increase, an analysis of the unpaid taxes is required.

ANALYSIS

A report was generated listing all properties with outstanding balances as of May 3, 2000. The report revealed the following:

- As of May 3rd, the total arrears and delinquent balance is approximately \$5,082,000, a reduction of \$354,732 from the February 2000 figures reported. Of this total, \$681,350.25 is owed by Bridgepoint Developments, tenants of the North Fraser Port Authority. Currently there is a repayment schedule in place between the City and 'Bridgepoint' whereby they will pay \$100,000 upon our acceptance of their proposed repayment schedule; \$300,000 by July 31, 2000; and the final outstanding arrears and delinquent balance plus taxes, by December 31, 2000.

We have received their initial \$100,000 payment and will monitor their account for the future remittances. Mr. George Colquhoun, President and CEO of the North Fraser Port Authority is aware of this agreement and have requested written confirmation once the final two payments have been received.

- Class 1 – residential properties make up over 50% of the outstanding arrears and delinquent balance. Currently there are 2516 properties in arrears. Of those, 406 properties are also delinquent on their 1998 taxes. This class accounts for over \$2.73 million in outstanding taxes.
- There are 409 class 6 properties with outstanding balances totalling approximately \$2,160 000. This is approximately 43% of all outstanding taxes. Bridgepoint Development's outstanding balance is included in this figure.
- Of the remaining balance, approximately \$120,000 are class 5 properties and another \$70,000 are owed by tenants of Crown Land. We are working with the Law Department in trying to collect on these properties.

FINANCIAL IMPACT

The attached spreadsheet compares the February 2000 outstanding tax balance with that of February 1999. When the balance is adjusted for Bridgepoint Development, the difference between the two periods results in a 1.42% increase in 2000.

In all cases except the \$70,000 outstanding from tenants of Crown Land, the City should be able to recover the debt through the tax sale process.

CONCLUSION

Staff should continue to monitor the outstanding taxes and focus attention on collecting from tenants of Crown Land. Due to the mobility of these tenants, payments to these accounts should be pursued as soon as possible after January 1st of the year that the taxes are due.

Ivy Wong
Manager, Property Taxes

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Analysis of Outstanding Taxes per February Key Indicator Report			
Unpaid Taxes for February 1999		\$4,688,747.00	
Unpaid Taxes for February 2000	\$ 5,436,732.00		
Less:			
Taxes outstanding - Bridgepoint Development	-\$ 681,350.25		Existing agreement between Bridgepoint and City. This amount plus interest will be paid out by December 31/2000
Adjusted 2000 Unpaid taxes	\$ 4,755,381.75		
% change from Feb 1999 based on adjusted unpaid taxes	\$ 1.42		