



City of Richmond

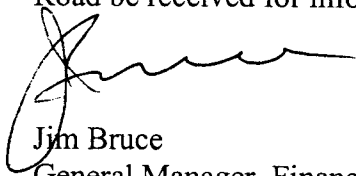
Report to Committee

To: General Purposes Committee
From: Jim Bruce
General Manager, Finance and Corporate
Services
Re: Religious Properties - No. 5 Road

To Finance Select - June 20/02
Date: June 17, 2002
File: 0925-01

Staff Recommendation

That the Report to Committee dated June 17, 2002 from the General Manager of Finance & Corporate Services relative to the tax implications for church designated properties on No. 5 Road be received for information.



Jim Bruce
General Manager, Finance and Corporate Services

Att:

Staff Report

Origin

At the February 21, 2002 meeting of the Finance Select Committee staff were asked to prepare an information report relative to the tax status of the church properties on No. 5 Road between Blundell Road and Steveston Highway.

Analysis

Several years ago the City adopted a policy that allowed various religious institutions along No. 5 Road to develop on Agriculturally zoned land provided the institution was constructed in the front 1/3 of the property and the remainder of the property was to be actively farmed.

These religious institutions by their very nature receive a statutory tax exemption. This exemption is authorized by the British Columbia Assessment Authority (BCAA). The City Council also has power to authorized a Permissive Tax Exemption if certain criteria, as adopted by Council, are met. Actively farming a property is not one of these criteria.

The tax exemptions are realized through a reduction in assessed value and consequently the tax savings are generated from a tax rate being applied against a lower valued property.

Many of these religious institutions are very large, and in many cases are seen as regional facilities for the specific religious denominations. It should also be pointed out that many of the facilities are now used as banquet facilities that are rentable by the public. There have been a few complaints over the past several years from private commercial businesses stating that these religious institutions have a direct financial advantage over private sector business. They claim that because of the unique tax advantage of the religious institutions the private sector is competing in the market place with a group that has a direct rental pricing advantage.

In regards to the properties fronting Blundell Road between No. 5 road and Highway 99 and those fronting the east side of No. 5 Road between Blundell Road and Steveston Highway there are a total of 34 properties within these boundaries. Of these properties nine (9) have a church designation and of those nine (9), only two (2) have received a farm classification by the BCAA. This in fact means that on two (2) of the properties are presently actively being farmed. The balance seven (7) are receiving some form of tax exemption. See Table 1 for details.

Financial Impact

If the City were to remove the permissive tax exemption designation from those properties not farming the land the owners would be required to pay an extra \$76,280 in property taxes based on the 2001 exemptions and tax rates.

June 17, 2002

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Conclusion

That this report be submitted for the information of Committee.



Jim Bruce
General Manager, Finance and Corporate Services

JWB:gjn

TABLE 1.

Roll Number	Address	Owner	Total Exemption	Statutory Exemption	Permissive Exemption	Total Taxes Currently Payable	Lot Size in Acres	Taxes Payable if Permissive Exemptions were removed
024-279-000	12011 Blundell	Cornerstone Evangelical Baptist Church	2,947,000	1,210,000	1,737,000	6,044.83	12.747	16,777.47
024-908-040	8600 No 5 road	India Cultural Centre of Canada	3,039,000	346,188	2,692,832	3,046.99	9.787	16,876.60
024-941-069	8580 No 5 Road	The Shia Muslim Community of British Columbia	0	0	0	10,321.39	9.793	
025-151-060	8760 No 5 Road	Richmond Jewish Day School Society of British Columbia	2,680,000	N/A	N/A	5,119.29	2.348	
025-161-000	8840 No 5 Road	Subramaniya Swamy Temple of British Columbia	51,700	51,700		778.80	0.25	
025-162-005	8040 No 5 Road	Richmond Chinese Evangelical Free Church Inc S-196	1,981,000	1,089,723	891,277		0.995	5,585.84
025-166-010	8020 No 5 Road	Meeting Hall for Larch Street Gospel	1,089,000	214,860	874,140		0.936	5,478.44
025-170-002	12100 Blundell	Richmond Chinese Evangelical Free Church Inc S-196	0	0	0	1,348.62	0.491	
025-172-004	1220 Blundell	Fujian Evangelical Church	2,916,000	771,748	2,144,252	1,222.33	2.001	13,438.52
025-212-021	8200 No 5 Road	Vedic Cultural Society of BC	1,207,000	1,207,000		1,310.44	2.494	
030-261-099	9360 No 5 road	Catholic Independent Schools of Vancouver Archloc	0	0	0	9,701.20	11.764	
030-869-001	10160 No 5 Road	BC Conference of Them B Churches	3,135,000	243,173	2,891,827	381.21	4.02	18,123.74
030-886-099	10260 No 5 Road	The Richmond Christian School Association	29,300		29,300	99.55	5.017	183.63
030-900-079	10100 No 5 Road	Lingyen Mountain Temple (Can) Inc	15,000		15,000	327.18	17.789	94.01
030-986-099	10060 No 5 Road	Lingyen Mountain Temple	5,533,000	N/A	N/A	907.05	4.913	
			24,623,000	5,134,372	11,275,628	40,608.89		76,558.24