

April 2, 2008

Finance Committee, City of Richmond
6911 No. 3 road
Richmond BC

Dear Sirs/Mesdames:

Re: Finance Committee meeting April 8, 2008

We thank you for agreeing to receive our delegation at your meeting to be held on April 8, 2008.

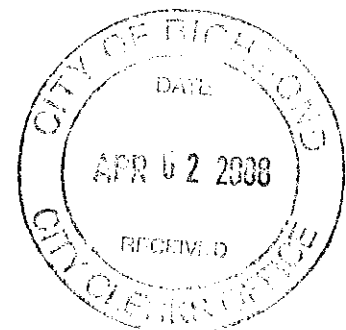
Under this cover please find our written submissions for your review. Please feel free to contact me should you have any questions or require any further information.

Yours very truly,

Swordfern Management Ltd.

Per: 
Robert McCullough
Sr. Property Manager

RM/encl.



April 2, 2008

CITY OF RICHMOND
Finance Committee
6911 No. 3 Road
Richmond, B.C., V6Y 2C1

5831 Cedarbridge Way
Richmond, B.C.
Canada, V6X 2A8

Tel: (604) 273-5732
Fax: (604) 273-6474

Dear Sirs and Mesdames,

Re: Property Tax Attribution and Consequent Inequitable Burden upon Properties

Thank you for the opportunity to present my submissions in concert with those of many tenant- and owner-business representative of the constituents of the NW Quadrant of the City Centre area.

I have attached as appendices hereto, my prior correspondence to the City on the matter and a spreadsheet delineating the property assessments of our properties in the subject area which I have every confidence are reflective of the area generally (and likely of many properties beyond it).

The dollar and percentage values in the attached spreadsheet speak for themselves. What they do not convey is the consequential effect on business in this are in the ensuing months and years should the City take no action to ameliorate the debilitating effect of its current tax distribution policy that results, in these 'perfect storm' circumstances in absolute inequity of property tax liability.

The City has at its disposal, the latitude to effect an amelioration or smoothing, which would go some great distance to offset this unfair application of tax liability. I implore the members of this Committee to influence Richmond Council to take the required action and to be fair and equitable to ALL taxpayers.

Sincerely
RICHMOND HOLDINGS LTD.


Harold Goddwyn, Director

Encl

RCG#	PROPERTY	Projection Variables				TAX ANALYSIS									
		Projected 2008	Actual 2008	Actual 2007	Actual 2006	Proj v Act 2008	Proj v Act 2007	Act v Act 2008	Act v Act 2007	\$ Change 2008	\$ Change 2007	% Change Actual 2007	\$ Change Actual 2007	% Change Projected 2008	\$ Change Projected 2008
		= PrevY/Act x AssessChng - ProjAvg x ProjMilChng													
		← Projection Avg. Assessment Increase													
		← Projection Mil. Rate Increase													
		Projected & Actual PROPERTY TAXES													
		\$	\$	\$	\$	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	
RICHMOND HLDGS. LTD.		Projected	Actual	Actual	Actual	2008	2008	2008	2008	2008	2007	2007	2006	2006	
CITY OF RICHMOND															
R04	7880 Aldebridge	350,364	170,087.03	145,935	106.0%	180,277	-100.0%	(170,087)	16.5%	24,152	140.1%	204,429	157.2%	154,082	
R05	7411 Elmbridge	252,422	114,356.51	98,039	120.5%	137,765	-100.0%	(114,357)	16.6%	16,317	157.2%	154,082	297.5%	275,461	
R07	7671 Aldebridge	368,068	157,717.57	92,607	133.4%	210,350	-100.0%	(157,716)	70.3%	65,111	297.5%	275,461	236.4%	141,405	
R11	5003 Minoru	201,212	101,951.17	59,807	97.4%	99,261	-100.0%	(101,951)	70.5%	42,144	236.4%	141,405	175.0%	61,562	
R12	7351 Elmbridge	95,734	44,118.52	35,171	119.3%	52,615	-100.0%	(44,119)	25.4%	8,947	175.0%	61,562	189.4%	77,890	
R15	7640 Aldebridge	118,007	53,390.87	41,117	122.9%	65,616	-100.0%	(53,391)	29.9%	12,274	189.4%	77,890	189.8%	82,723	
R18	7600 Aldebridge	126,296	57,207.52	43,573	120.8%	69,088	-100.0%	(57,209)	31.3%	13,635	189.8%	82,723	187.5%	118,518	
R24	6851 Elmbridge	178,674	65,645.31	62,156	172.2%	113,028	-100.0%	(65,645)	5.6%	3,489	187.5%	118,518	180.7%	98,926	
R25	6871 Elmbridge	63,667	58,686.29	54,754	161.5%	94,994	-100.0%	(58,686)	7.2%	3,932	180.7%	98,926			
R-Total		1,346,156	823,161	633,160	124.3%	1,022,996	-100.0%	-823,161	30.0%	190,001	191.6%	1,212,997			
TOTAL		1,346,156	823,161	633,160	124.3%	1,022,996	-100.0%	-823,161	30.0%	190,001	191.6%	1,212,997			

RCG#	PROPERTY	PROPERTY ASSESSMENTS				FOR TAX YR.				prior year	2006	further prior year	2005			
		2008		2007		2008		2007								
		(x \$1,000)	(x \$1,000)	(x \$1,000)	(x \$1,000)	(x \$1,000)	(x \$1,000)	(x \$1,000)	(x \$1,000)							
RICHMOND HLDGS. LTD.																
		Land				Improvements				Assessment Totals						
		%Change	%Change	%Change	%Change	%Change	%Change	%Change	%Change	%Change	%Change	%Change	%Change			
		2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006			
R04	7880 Alderbridge	21,037.0	8,461.1	4,547.0	148.6%	86.1%	153.0	194.9	2260.0	-21.5%	-91.4%	18,876.0	8,656.0	6,807.0	118.1%	27.2%
R05	7111 Elmbridge	13,358.0	5,701.0	3,286.0	134.3%	75.0%	116.0	107.0	1001.0	8.4%	-89.3%	13,474.0	5,808.0	4,259.0	102.0%	36.4%
R07	7671 Alderbridge	19,288.0	7,775.0	3,707.0	148.1%	109.7%	227.0	210.0	249.0	8.1%	-15.7%	19,515.0	7,985.0	3,956.0	144.4%	101.8%
R11	5003 Minoru	10,865.0	5,153.0	2,541.0	110.8%	102.8%	59.0	54.6	53.0	8.1%	3.0%	10,924.0	5,207.6	2,594.0	109.6%	100.8%
R12	7351 Elmbridge	5,100.0	2,177.0	1,463.0	134.3%	48.8%	66.1	61.1	57.7	8.2%	5.9%	5,166.1	2,238.1	1,520.7	100.8%	47.2%
R15	7640 Alderbridge	6,465.0	2,759.0	1,818.0	134.3%	51.8%	0.0	0.0	0.0	0.0%	0.0%	6,465.0	2,759.0	1,818.0	100.8%	51.8%
R18	7600 Alderbridge	6,750.0	2,881.0	1,878.0	134.3%	53.4%	50.6	46.8	28.6	8.1%	63.6%	6,800.6	2,927.8	1,908.6	100.8%	53.6%
R24	6851 Elmbridge	9,241.0	3,234.0	1,478.0	185.7%	118.8%	78.6	74.2	1206.0	5.9%	-93.8%	9,319.6	3,308.2	2,694.0	100.8%	23.3%
R25	6871 Elmbridge	7,936.0	2,777.0	1,269.0	185.8%	118.8%	98.3	179.0	1098.0	-45.1%	-83.7%	8,034.3	2,956.0	2,367.0	100.8%	24.9%
R-Total	TOTAL	100,040.0	40,918.1	21,959.0	144.5%	86.3%	848.6	927.6	5,953.3	-8.5%	-84.4%	100,888.6	41,845.7	27,912.3	141.1%	49.9%
		144.5%	86.3%	<- Vs Prev. Yr.			-8.5%	-84.4%	<- Vs Prev. Yr.			141.1%	49.9%	<- Vs Prev. Yr.		49.9%

January 14, 2008

CITY OF RICHMOND

Mayor's Office
6911 No. 3 Road
Richmond, B.C., V6Y 2C1
Phone: 604-276-4123; Fax: 276-4332

Attn.: Mayor Brodie and Councilors

Dear Sirs and Mesdames,

Re: Property Tax Attribution and Consequent Inequitable Burden upon Properties
In The North West Quadrant of City Centre Area

We are a group of companies which have long-standing real estate holdings in Richmond, including several light-industrial and quasi-retail properties in this north-west quadrant of the City Centre Area. Typically these properties are leasehold in nature, with the tenant company or organization and the landlord bound together in long-term leases. These properties have experienced excessive increases in assessed value in the past several years due to various economic pressures and use-changes in the area - excessive even in the context of the overheated real estate conditions that have been experienced in the recent past and which continue to the present and at least foreseeable future.

The consequence of this extreme increase in assessments year over year (over year), is a material and increasing inequity in the tax liability placed upon the subject properties... inequity as defined by any legitimate criteria one could imagine.

I have made informal appeals to successive levels of the civic bureaucracy over the last several years as we - as managers and owners - became exposed to these conditions. We sought to have the City recognize this gross inequity and unfair condition and to offset or ameliorate the consequence. We understand that this may well be a niche and/or temporary market condition but it is nonetheless very real. In past years we have been told that the City did not have the resources to review this and/or to institute any changes to the existing policies of tax attribution. From our perspective and that of our tenant-clients, the unfairness is undeniable and given that, there is no justification for the taxing authority to stand-by and accept that such a gross inequity and economic burden be placed upon any given constituent or group, large or small.

I would appreciate your consideration - and ultimately your urgent attention - and that of Council and Staff. Our companies and those companies and organizations that comprise our group of tenant-clients in this area, include many long-standing and familiar retail/consumer or community-affiliated names but whether recognizable or not, they all are and have been consistent good corporate citizens.

I would request a meeting with you and any interested Councilors, to further demonstrate our position and to address any questions you might have for us.

Sincerely,
RICHMOND HOLDINGS LTD.

COPY

Harold Goodwyn, Director

January 25, 2008

CITY OF RICHMOND

Business & Financial Services Dept., Finance Division

6911 No. 3 Road

Richmond, B.C., V6Y 2C1

Phone: 604-276-4218; Fax: 276-4162

Attn.: Mr. Andrew Nazareth, G.M., Business & Financial Services.

Dear Mr. Nazareth,

Re: Property Tax Attribution and Consequent Inequitable Burden upon Properties

Thank you for your email letter dated January 22 and received the following day. I feel I must rebut your reply to my appeal for consideration by the City Mayor, Council and Staff as to my argument that property taxes are being attributed inequitably.

I am disappointed that the responsive points the City makes to my appeal are, in my respectful opinion, superficial and diversionary. It appears that the City is prepared to neither acknowledge that there is in fact an issue of property tax attribution inequity, nor address that issue. I hope this conclusion is not correct. I would expect the City to be open-minded and progressive in its consideration of such a concern.

To characterize my appeal as an attempt to seek some special attention or treatment at any level more finite than Property Classification is not accurate. I use the example of the referenced properties because it is those with which I am most familiar. I presumed the reader would accept that I understand the condition extends beyond these properties.

It is curious that you would reference the Community Charter in the context of my appeal and not refer to Section 198 thereof wherein sub-clause (2) refers explicitly. "... (2) For the purpose of allowing municipalities to moderate the impact of sudden changes in the assessed value of land:..." The following is an excerpt from the Community Charter [SBC 2003] Chapter 26, assented to May 29, 2003 (website reference: http://www.qp.gov.bc.ca/statreg/stat/C/03026_00.htm)...

Assessment averaging and phasing options

198 (1) Instead of imposing tax rates on the assessed value of land, an annual property tax bylaw may impose rates applicable to one or more property classes by assessment averaging or assessment phasing in accordance with the regulations under subsection (2).

(2) For the purpose of allowing municipalities to moderate the impact of sudden changes in the assessed value of land, the Lieutenant Governor in Council may make regulations as follows:

- (a) establishing formulas for determining modified assessed values that are to be used to impose property value taxes and authorizing variation of those formulas;
- (b) exempting, or authorizing the exemption of, particular types of property within a property class, or of property in prescribed circumstances, from the application of a bylaw under this section;
- (c) providing for a process to review and correct errors made in applying a bylaw under this section to any property;
- (d) establishing restrictions, conditions and requirements relating to the imposition of tax rates under this section;
- (e) in relation to taxes that are imposed under other enactments and collected by a municipality, providing that, despite the other enactments,
 - (i) the values imposed under this section apply, and
 - (ii) the rates to be imposed are to be determined using those values.

While the City Staff may be complying with the Charter, by its apparent blindness to the opportunities to enquire, consider and seek greater equity and fairness it is neglecting, in my opinion, one of its fundamental obligations. Surely those at the City who deal with these matters for a good part of (if not the whole) year are aware of this Section and the opportunities that it offers. If they are not, they ought to be.

I'm sure you and your Staff are familiar with the City of Vancouver Property Tax Policy Review Commission and its Final Report of September 2007. I think the Commission's existence (and the Land-Averaging concept application

by the City of Vancouver to ameliorate land value volatility – which it has endured for some years now) reflects that City's sense of obligation to seek and improve equity of tax attribution. Though I would be surprised if you were not already conversant, I would direct you to the second of two headings in the Executive Summary of the Report, 'The Volatility Issue' (website reference: <http://vancouver.ca/ctyclerk/cclerk/20070920/documents/rr1-appendix-report.pdf>). Please see the excerpt attached. I understand that the Assessment Authority provides the City of Vancouver every year with the land averaging information required to undertake this adjustment to the conventional tax roll application. Presumably the same for Richmond could be provided upon request. I can understand that Staff may wish to analyze the consequential tax re-distribution and make recommendations accordingly but such has been the case for years. The time for action is overdue.

As to the Assessment Authority's opinion of property tax as a wealth tax, presumably no one would contest this. While that is a fact, it does not necessarily follow that it is equitable. You go on to say, "...and the reality is that if your property value has increased substantially, then so has your wealth." and later, "...although you are experiencing significant tax increases they are all justifiable because of the substantial increase in the value of your property.". In a speculative context, this might be true, but only in the moment. There is no guarantee that a value reached is necessarily retained and therefore no guarantee that the requisite wealth crystallized, to say nothing of costs, risks and influences such as financing costs, market demand, capital gains tax, zoning, development costs, etc... In other words, it might be argued that the speculator's gain is the value of the related risks incurred. And even so, is it fair or equitable that that entity face high double- or triple-digit percentage per annum property tax increases? However, the 'you' is not a speculator. In fact, the 'you' is often a leaseholder with no enduring interest in the title or the wealth therein but rather a tenant, albeit typically responsible for the property taxes (that sounds more like an 'Occupancy' tax than a 'Wealth' tax, doesn't it?)... And/Or the 'you' is a property owner/developer/manager of long-record who considers the property to be its business capital... No business capital; No business (that too, albeit to a lesser degree, sounds like an 'Occupancy' tax). And bear in mind the ratio of Speculator-You's to Leaseholder/PropertyOwner-You's is very low as evidenced by the number of sales relative to the number of such properties.

Thank you for your advice regarding the spreadsheet enclosed therewith. As to your point 1., the Assessment Notice indicates no such exemption, so I am happy to receive your news; As to your point 2., I'm pleased to hear that my projections are overstated however I find it curious, given that the BC Assessment has not yet closed the Roll, that City property taxes have already been determined; How can this be? ...and; As to your point 3., Thank you for confirming the continuation of this permissive exemption from past years. I have taken the liberty of Amending Ms. Wong's spreadsheet by deleting the reference to the first property (given its exemption value) and to add several lines reflecting totals, averages and changes year-over-year. Please see the attached spreadsheet. I would have thought that these staggering projected-tax increases would elicit some concern and consideration.

As to your conclusions, there is no lack of statutory justifications available for the projected tax increases. It's a critical view toward reasonableness and equity that I am seeking. There is no contention about the consistency of the current tax treatment, but let us not confuse consistency with fairness.

I appreciate the Mayor, Councilors and Staff are very busy. I was appealing to the City by my letter of January 14 because this is a credible issue that I believe any person in any of those three civic-administrative capacities should be concerned with. I don't consider it a fringe or irrelevant matter and neither do the group of effective taxpayers, made up of not only our group of companies and our tenant-clients but of course, many others in this area and likely other areas of the City. I would urge you to re-consider your position and to take-up a proactive, progressive position on this matter. Please let me know if you will do so.

Sincerely,
RICHMOND HOLDINGS LTD.

Harold Goodwyn, Director
Encl.

COPY

The Volatility Issue

The second major issue we were asked to address is the volatility or hot spot issue. We define a hot spot as “a property or cluster of properties that experiences an unanticipated year-over-year increase in assessed value that is significantly greater than the average increase for the class”. The notion of *unanticipated* is used to exclude year-over-year increases that may well have been anticipated because of some action on the part of the property owner such as new construction or a significant change in zoning.

City of Vancouver Property Tax Policy Review
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We first ask whether the evidence supports the view that “hot spots” are a major issue in the City of Vancouver and whether there is a consistent pattern in the type of properties that are hot.

Our findings show a significant number of residential and non-residential properties facing relatively large annual increases in taxes as a result of volatility in the market and beyond the level property owners might have reasonably anticipated. The problem is significantly worse for non-residential properties than residential properties.

We find that there is a positive relationship between neighbourhoods experiencing an above average relative increase in total assessed values and the percentage of properties in the neighbourhood that are found to be hot properties. Hot properties also repeat over the study period and repeat more often for non-residential properties than for residential properties.

Properties with redevelopment potential are more likely to be hot properties. Vacant sites are significantly over-represented in the hot property category.

Although we are not able to link owner-tenant status to individual properties, the characterization of properties that are more likely to be hot properties provides some insights into the problem facing tenants, particularly tenants in older properties approaching redevelopment.

We review a number of policy options to address volatility:

Averaging, both the current three-year land averaging policy used by the City and five-year land averaging

Capping

Phase-In

Rebate of taxes to commercial tenants

Unoccupied Density Allocation

Less frequent assessments, assessment freezes, and time-of-sale reassessment

Three-year averaging is a useful policy to address the volatility issue but has some significant weaknesses: it is not targeted – all properties are affected even if they are not “hot”; second, three years is not long enough to cushion the impact of very large changes in market value.

Our analysis of both the capping and the phasing mechanisms highlight a number of advantages over averaging. In particular, they focus on delivering assistance to hot properties and they provide a significant moderation of the annual increases facing the hot properties. We find the phasing model is preferred to capping because it takes less time to eliminate the impact.

City of Vancouver Property Tax Policy Review

Page 6

We do not advocate a system of rebate to commercial tenants, in part because of the challenges to ensure the tenants receive the benefit and in part because of the additional administrative requirements. We also do not recommend the Unoccupied Density Allocation model advanced by the Vancouver Fair Tax Coalition. Although creative, it moves away from the consistent use of market valuation as the basis of taxation and creates very difficult administrative issues.

We do not support less frequent assessments, assessment freezes or time of sale

reassessment. All these mechanisms would move the system away from assessment based on current market value which we regard as key to achieving an equitable property tax system. Any measures to address volatility should be designed to offer **temporary** relief by moderating year-over-year changes in value but should not allow a prolonged deviation from market value.

The Commission recommends that:

Recommendation #4:

The City should adopt a phase-in mechanism that would replace three-year land averaging for Class 1, Class 5 and Class 6. The phase-in mechanism would apply only to properties that would otherwise experience a tax increase that is 10% or more above the average for the class, exclusive of new construction.

The proposed phase-in mechanism is considerably different than that allowed under current legislation. Therefore, Provincial approval would be required to develop a phase-in mechanism along the lines recommended by the Commission.

Recommendation #5:

The City of Vancouver should maintain the present three-year land averaging program for Class 1, Class 5 and Class 6 properties until such time as a phase-in mechanism is developed.

We received several submissions during the hearing outlining the problems commercial tenants are facing in terms of property taxes. We recognize that our recommendations do not directly focus on tenants. Nevertheless, we believe that the combination of our recommended tax shift from non-residential to residential properties, coupled with a more focused effort to address the hot property issue, will help address the challenges facing commercial tenants.

Ed's Linens

200-7888 Alderbridge way, Richmond BC V6X 2A5 Tel: 604-270-4169 Fax # 604-270-4434

March 31st 2008

City of Richmond
Finance Committee

Dear Sirs,

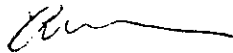
Re : 2008 Property Tax to be assessed on our rental properties on 7800 & 7888 Alderbridge Way, Richmond

Base on the 2008 property assessment notice on our rental properties at the abovementioned address, the property has been revalued by the City significantly to a 118% increase over last year value. Our landlord has based on this assessment value and budgeted their 2008 operating expenses and will pass them to their tenant as additional rent. We are renting two properties from our landlord Richmond Holdings Ltd. The amount of additional rent increased in year 2008 on our 5500 sq foot office is \$13,915.00 and on our 21,000 sq ft Retail and warehouse is \$32,970.00. The total amount of additional rent increase in year 2008 will be \$46,885. This amount represent 7.75% of the business we are doing at our Richmond location.

Our business has been sliding due to the strong Canadian dollar. It is very difficult for us to absorb this huge increase in operating expenses and eventually we might have to close our business. We hope the Richmond Finance committee understands the significant impact of this property revaluation to our small business group and will consider deferring the increase tax on this said property.

Sincerely Yours

For and on behalf of
Ed's Linens



Lawrence Lee
Controller



Finance Committee
City of Richmond
6911 No. 3 Road
Richmond, B.C.

March 26, 2008

Attention: Chair to Finance Committee

Dear Sirs,

5440 Hollybridge Way, Richmond, BC
Property Tax Increase – 2008

This letter is the formal submission to the Finance Committee of the City of Richmond, B.C. by SYNNEX Canada Limited concerning the significant increase in property taxes.

SYNNEX Canada is a distributor of electronic products. It is a tenant at 5440 Hollybridge Way, Unit 180 with 37,786 sf under lease. SYNNEX Canada has been a tenant in good standing since December 1, 2002. Our tenancy will expire May 31, 2012, with an option to renew for a further 5 years.

Under the terms of the net net lease, the Landlord requires its Tenant to pay all real property taxes in portion to space leased. SYNNEX Canada has paid property taxes on a monthly basis of \$3,976.00. The City of Richmond unexpectedly increased real property taxes based on assessments of questionable quality. SYNNEX Canada now pays \$13,370 each month. This represents an increase of \$9394.00 per month and a yearly increase of \$112,728.00.

SYNNEX Canada conducts business with its customers under long term written contracts at fixed fees. Such customer contracts do not permit SYNNEX Canada to pass on to the customer any parts of the property tax increase in any form.

The additional cost, as of 2008 (but could increase again in the future) is \$112,728.00 or **236 % increase per year**; and over the remaining term of 4.5 years will be \$450,912.00. This unreasonable tax increase completely corrupts the viability of our Richmond distribution facility.

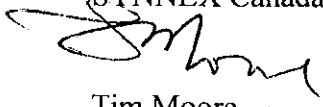
It is our submission to the Finance Committee that:

1. our business operation can neither absorb nor pass along to customers this unanticipated **236% yearly increase** in operating the Hollybridge warehouse;
2. the property tax is forcing an unexpected evaluation of operating costs that puts existing jobs at risk;
3. increased operating costs due to property taxes significantly harms and reduces any competitive advantage and unfairly forces the Tenant to relocate outside Richmond in order to remain competitive;
4. the Richmond Assessment Authority has been premature and overly aggressive with the implementation of new assessments in the neighbourhood of the Richmond Olympic Skating Oval;
5. the zoning amendment to change the area from industrial properties to multi-family residential has not yet been passed through proper channels by City Council. Increased assessments and property taxes are unfairly based on non-existent zoning and only a few local sales;
6. the potential density is not yet implemented until zoning amendments have been properly passed by City Council. In spite of this, assessments and tax increases appear to use a blanket value for the area based on a 3.0 density. There is quite a variation on potential density from property to property in the area. It is unfair to use a blanket value based on 3.0 density, when a 2.0 density is more realistic for area properties; and
7. *therefore*, the Finance Committee immediately direct the Assessment Department and the Property Tax Department to immediately rescind all issued tax assessments until a proper review with public input, following proper procedures, is undertaken.

I am the Chief Operating Officer for SYNEX Canada. I will travel from Toronto to attend the April 8 Finance Committee meeting to hear first hand the position of City Councillors and the Mayor. Comments from the April 8 meeting will influence our next steps, including legal action and discussion with members of the Winter Olympics Organizing Committee.

Respectfully submitted,

SYNEX Canada Limited



Tim Moore
Chief Operating Officer

TM/ch

cc Jim Estill, CEO



Mack Foster Building Materials Ltd.

Telephone: 604.273.4606
Facsimile: 604.273.1760
Email: mack@mackfoster.com

March 30, 2008

City of Richmond
Finance committee

Thank you for the opportunity to present my concerns regarding the recent dramatic increases in property assessments in our neighborhood and the resulting significant increases in property taxes.

I have been operating our family business in Richmond since 1986 and property taxes as a business expense have been stable until 2007.

We presently rent and occupy two locations(our retail store at 7111 Elmbridge and our warehouse at 7600 Alderbridge). I want to advise you the changes that have taken place since 2006 and the major impact on our business.

Property taxes have increased 167% from 2006 to 2008. In dollars this represents an increase of \$29,951.00 in 2007 over 2006 and a further increase of \$207,029.00 in 2008 over 2007.

I am shocked by a \$207,000.00 increase in one expense element and do not know how we can afford to pay this and remain solvent.

To illustrate I will share with you a few of the significant numbers from our 2007 year end results. I do this so that you can see that this is not an issue of reduced profitability, but is a matter of survival.

Gross Sales 2007	\$8,609,000.00
Wage Expense	\$1,376,000.00
Occupancy Cost	\$ 727,000.00
All other expenses	\$ 775,000.00
Net Profit	\$ 70,000.00

I'm sure you can see how impossible this situation is. Where would you save \$207,000.00 ? I can assure you it is not reasonable.

I believe it should be desirable to the city to maintain a viable mixed business community in this area over the next 5 to 10 years or forever. The transition to occupied residential is going to take years based on my observation of the Ocean Walk development behind my store.

I would like to point out that over the past 22 years we have contributed a payroll of over 35 \$million ,much of which was spent in Richmond. We have also paid 2 \$million in property tax,while supporting many events and activities in the city.

I am requesting that you take action in defense of all businesses adversely affected by these extreme increases. I'm sure there are options available to you if you have the will to maintain a viable business community in our neighborhood.

Sincerely,

Mack Foster
Owner

Robert McCullough

From: Stanford Siu [stanfordsiu@shaw.ca]
Sent: March 26, 2008 10:15 AM
To: Robert McCullough
Subject: Re: 2008 Property Taxes

To whom it may concern:

Ever since Vancouver was nominated to host the 2010 Olympics, the economy has grown in an exponential fashion. Together with the strong dollar, everything seems to be going very well. Unfortunately, when such extreme growth occur in a short period of time, many unexpected things happen. The standard of living increases, and as what we can see in the prices of our property prices, it has increased in such a way that many are unable to afford living in Vancouver. An average 3 bedroom home is now hovering between \$500,000 to \$700,000. This is not something that an average person or family can afford now a days.

With the tremendous increase spike in property value, especially between the areas of no.2 to no.3 road and alderbridge to Westminster highway, businesses are not able to survive. We experienced almost an 80% increase in our taxes in the last two years. We were paying a shade over \$10,000 a month for rent after taxes, now we going to be paying almost \$17,000. The \$7000 difference a month will very well put us out of business. As we are still in the process of paying off our debt as a new business, it is only a matter of months before we run our bank accounts dry. I am speaking in desperation. This is a family business and failure is not an option as we are borrowing money against our home. \$7000 a month is \$84,000 a year. This will ruin us and may result in us going bankrupt.

We are feeling a lot of different emotions right now. Anger, sadness, betrayal, fear, worry; the list goes on. We are desperately hoping that there will be reconsideration. Implementation of this is ruining us as a family and will ruin our

February 19, 2008

Attention: Property Assessment Review Panel

Re: Property Assessment for 5731 Minoru Blvd., Richmond, BC

We are writing this letter to support the appeal of Ed and Betty Arlich and their appeal of their property at 5731 Minoru Blvd., in Richmond. We are the owners of Panther Cheer Athletics, a community based athletic program that provides opportunities for Richmond's youth aged 3 years to 18 years as well as employment to a staff of 10 young adults. We are one of the small businesses that currently rents space in this complex.

While we can appreciate that property values have been increasing locally, it is important to note the purpose of the property where we rent space. This property rents space to small, independent businesses like ours, all of which provide outstanding recreational/fitness programs for young people in our community. The current building is very dated and has had minimal improvements over time. While the redevelopment of the property could lead to an increase in value, the clear current purpose of the property is to supply space to small businesses like ours that offer a unique opportunity for the community's youth to be involved in physical activity.

Once the increase in property taxes translates to an increase in rent, we will no longer be able to rent at this location. It is exceptionally difficult to find spaces to rent for these types of programs, and by continually having these dramatic increases in property tax each year, the landlords are unintentionally being encouraged to redevelop the property, and thus eliminate programs like the one we offer. The value of this property is in the opportunities the businesses who lease space offer to the people of Richmond. In a time of ever increasing childhood obesity rates, Type II Diabetes and sedentary lifestyles of our youth we believe the City and Province need to support the current usage of this property – the provision of outstanding community based recreational programs to the residents of Richmond.

We encourage the Panel to consider the owners current use and intentions for the property as they examine the current property assessment. We hope the Panel clearly understands the ramifications the current property assessment will have on the many different businesses that provide recreational opportunities to the City's youth.

Thanks for you consideration,

Stephanie Kennedy & Dawn Silver
Owners, Panther Cheer Athletics

B.C. Fibreglass Co. Ltd
8580 Camden Crescent
Richmond, B.C.
V7C 3G4

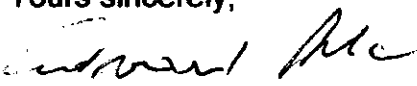
March 26, 2008

Richmond Finance Committee,

We have owned the property at 5731 Minoru Blvd since 1969. It was originally built to manufacture boat's for our company Double Eagle Boat Ltd. The business was sold in 2004 and the premises have been leased out since that time. Currently we have a baseball training centre in one half of the building and a cheerleading school for kids in the other half. Last year the property taxes were increased from \$39,824.81 to \$51,174.05 and although we thought that was high we were able to increase the tenant's rent and decrease our revenue without too much hardship. However, this year's assessment increase of 132% mean's our taxes will go up over \$100,000.00 and there is no way our tenant's will be able to pay the rent needed to cover those cost's. We have attached a copy of a letter written to the assessment appeal board by one of our tenant's, Panther Cheer Athletic's, sharing their concern's regarding the increase. If we had any inclination that the property's taxes would increase by such a huge amount we would never have had them sign a 5 year lease as we knew at the time that they were a community based organization and would not be able to pay a much higher rent.

We hope the committee will take our tenant's concern's into consideration as well as the fact that we have been long time business owners in Richmond.

Yours sincerely,



Ed Arlich (President)
B.C. Fibreglass Co. Ltd.

To: Mayor Brodie and
Councilors

Linda Barnes
Cynthia Chen
Evelina Halsey- Brandt
Rob Howard
Harold Steves

Sue Halsey-Brandt
Derek Dang
Sue Halsey-Brandt
Bill McNulty

**Re: Richmond Official Community Plan
...The forgotten piece**

URGENT

Vision 1

“The plan provides for the development of the City Center as the Urban core of Richmond, making the city a more ‘Complete Community’ in the region”

Vision 2

“Building a people friendly place through ... public participation and partnership in its planning, development and daily life.”

I am writing this letter for our company and other companies who have been left out of the plan totally.

We are companies whose assessments have risen over 600 million. We are companies, some of who will go out of business as a result of the inconceivable increase in taxes being forced as a result of those assessments.

We are companies that have not been contacted as a ‘partner’ with Richmond in the planning and development of the new city plan!

In fact, there is not a single page in the 66-page plan that deals with the companies already occupying – some for many many years, the area, and nearby surrounds on how the transition to the new city center is going to take place.

I am speaking of the TENANTS of the buildings affected, 99% of who pay 100% of the taxes.

The whole assessment process, still in the hearing and appeal stage, is the basis on which Richmond bases its taxes, and that process is flawed as a starting point. We won’t dwell on that here but the city should be aware of the problem.

We have just completed the first round with the Assessment Authority and they are only basing their valuations on sales of nearby comparable properties – not on the normal valuation of

capitalization of revenue generated from that property, and in our case, 5440 Hollybridge, is based on an option which won't even be exercised (if it is at all) until June 28 of this year.

Our assessment has gone from \$9 million to \$25.5 million in one year and our landlord has increased our rent by \$18000. a month to cover the increase in taxes based on the assessment. We are two months in arrears at the moment because we can't pay it.

We have just signed a new lease, which does not expire until mid 2012. When I asked the assessor how they could arrive at a value of our building of 25.5 million when it produces a negative cash flow for another 4 years ($6\% \times \$25.5 = \$1,530,000$. minus lease payment of \$750K) he said 'we don't take the leases into consideration'

But I don't want to get tangled up in the legalities at this stage of the 'system' under which Richmond collects its taxes. We recognize and respect the right of Richmond to plan for its future. We recognize that storing used office chairs and desks in a one level 84,000 square foot faculty won't yield the same taxes as a 15 story high rise.

But we do expect, as long-term good (we think) corporate citizens of Richmond to, at the very least be allowed a phasing out period recognizing our long-term occupancy is no longer part of Richmond's plan. (Even moving will cost our company over \$200,000 and we, at this point have no place to go, and because we are locked in to another 4 years, we are 'trapped.'

But we don't want this to be solely a letter of complaint, nor are we looking for any special favor – just to be dealt with fairly. And what is 'fair'?

To have those buildings facing these problems because of the 'feeding frenzy' for developers caused by the city's O.C.P, be reclassified as "Emerging Development' and a ceiling of 10-15% above the average value for tax faced by the rest of Richmond (or a mill rate resulting in the same tax) that this change would generate.

We respectfully request an urgent meeting with you and the Councilors to discuss this proposal, or others you may have that would yield the same fair results.

Respectfully,

Paul J.C. McCrea,
Secretary / Treasurer

P.S. As you know, you recently become sub-tenants of ours in 8000 square feet of office space where your city managers recognized the unfairness of the looming tax burden and agreed to rebate any of tax relating to your space above the 2007 tax rate. If you can do it here, you can do it elsewhere.



Richmond
Youth Service
Agency

March 31st, 2008

Attn.: City of Richmond

Re: Impact of tax increase upon our agency and services

I am writing this letter as a result of concern about the recent notice that the operating cost portion of the rent on our new space is going to significantly increase as a result of the property tax assessment. As you may be aware RYSA has been working diligently in Richmond to meet the needs of children, youth and families for over 30 years. During the last two years we have worked very hard to bring funding for a greatly needed Youth Employment Resource Centre (Connections Youth Resource Centre) and an Aboriginal Centre (Pathways Aboriginal Centre). We have also worked hard to try to centralize the variety of programs for children, youth and families through our new location and build small satellite services in our community. We have been successful in our efforts to secure funding for a Youth Resource and Aboriginal centre. The new Connections Youth Resource Centre and the Pathways Aboriginal Centre are scheduled to open in the next two months. Funding for these projects was approved in the last four months as a result of negotiations and budgets developed using current operating costs plus a reasonable inflation increase for the next two years. These projects will address significant gaps in service in our community and assist more children, youth and families access the supports and services they need to thrive in Richmond.

The unexpected challenge we now face is that the operating costs on our new space have increased far beyond expectations. The original operating costs at the time of negotiation were three dollars per square foot and were estimated to increase to five for the upcoming year. Now we are being told these costs will actually increase to eight dollars per square foot as a result of the tax increases for the property. This is almost triple what we were expecting to pay and will result in an increase of over \$2000 per month and over \$24000 per year what was originally budgeted. As you are aware funding is always limited and this type of increase is far and above what can normally be expected as a result of inflation projections. We find ourselves in a very difficult position which may impact services in our community and our opportunities to continue to grow and meet community needs through this centralized location. We hope that you will consider the impact that these types of increases have on our ability to serve our community and provide whatever support you can to ensure that Richmond residents have easy access to the services they require.

Sincerely,

Marshall Thompson
Executive Director
Richmond Youth Service Agency

4-11220 Voyageur Way, Richmond, B.C. V6X 3E1 Tel: (604) 271-7600 Fax: (604) 271-7626 Web: www.rysa.bc.ca
Meeting the needs of Richmond youth since 1974





PLANTLAND

** member of the Garden Centre Group Co-op*

April 1, 2008

City of Richmond
6911 No 3 Road,
Richmond, BC
V6Y 2C1

Attention: Finance Committee

Re: Property Taxes 5003 Minoru Blvd/7780 Alderbridge Way, Richmond, BC

We are writing to you today to present our dismay over the current situation with respect to the property assessments and resultant property taxes we are subject to as the outcome of the cities desires to change this corridor into a mixed use high density area.

When we entered into our lease in December 2004, we did so with the knowledge that property taxes represented a \$1.59 per square foot in 2003 and were \$1.77 for 2004, an 11% increase, which at the time seemed in keeping with average increases in the Richmond area.

The following table shows the increases our company has incurred over the last 3 years, and the projected increase for 2008.

Year	Per Sq Ft cost of Property Tax	% increase	Total Tax Burden based on actual leased area	Corresponding sales increase required to cover proper tax rate increase only.
			sq. ft. = 13620	GP = .45
2003	1.59		\$21,655.80	\$ 48,124.00
2004	1.70	7%	23,154.00	51,453.33
2005	1.97	16%	26,831.40	59,625.33
2006	2.64	34%	35,956.80	79,904.00
2007	4.51	71%	61,426.20	136,502.67
*2008	8.89	97%	*121,081.80	*269,070.67

*estimated

Hestia Productions Ltd. * Lifra Enterprises Ltd. * Victoria Garden Centre Ltd.
7780 Alderbridge Way, Richmond, BC V6X 2A3, Tel: 604-278-9580, Fax 604-278-9560

Vancouver * Richmond * Nanaimo * Victoria

Our businesses like most, develop a business plan, estimating to the best of our ability the projected costs of running our business over the term of our lease, increases such as these were unpredictable, and are extremely onerous on our business. Just as most other retail environments, we manage our gross margin at approximately 45%, as indicated above, to sustain this type of increase in expenses, we need to generate approximately an additional \$130,000 sales this year over last years, this on top of the effects of last year tax increase which required us to increase our sales by \$70,000 just to cover this expense. We have a significant amount of money invested in the leasehold improvements for our site, and a lease which does not expire until 2016, which makes it difficult to relocate.

We operate our business in conformity with the city by-laws and zoning regulations, so this is especially disconcerting, as similar entities have had the 'normal' increases. Home Depot for example last year had a 22.34% in property values, compared to our 100.76% increase. How can we remain competitive when we are subject to such prohibitive taxation?

The increases in land value for the surrounding area are based on speculative purchases of land which will see multi-tenanted buildings being constructed. If in fact this land is developed sometime in the future, the tax burden would be distributed at the lower (residential) rate over a number of units. The burden would not be placed on one entity, for which no additional benefits are available. The taxation system would benefit many, so the burdens would not be inequitable. The current system provides an injustice for our business, as we are offered no additional benefits only the burden.

The City of Richmond should recognize the inefficiency of such taxation system. In order for us to recover this expense, would see us raise our prices to such a place that we are no longer competitive in the market place. As you are all well aware, when you are no longer competitive you can no longer remain in business. How does putting small business out of business benefit Richmond. We have served Richmond's residence for over 40 years, paying property taxes, employing Richmond residents and supporting a great many local schools, sports teams, and other non-profit societies.

We therefore respectfully request, that this area be designated "in transition" so that some type of equitable taxation can be applied to businesses in this corridor which have long term leases in effect and can not relocate their business until such times as their lease expires.

Kindest regards,



Roy Van Hest
Director

Lang's Glass (Richmond) Ltd.

5871 Minoru Blvd. Richmond B.C. V6X 2B1

March 6, 2008

Re Tax roll # R - 057-584-000

Dear Sir,

We have been advised by our landlord, Mrs. G. VanOosten, that the assessed value of the property we occupy has increased 232% in the past year. This increase effectively raises our rent to a point that becomes detrimental to the operation of our business.

We have occupied space in these premises since they were built in 1970. Over that period of time we have developed a business that has employed 12 people, some of whom have been with us for over 28 years. This increase puts our entire operation in jeopardy. We cannot absorb a tax increase of over 200% in one year. We have not received any further services for this increase and cannot see why the property tax burden should increase any higher than the annual inflation rate.

Please re-consider the assessment and tax burden you are placing on our company and the adjoining businesses in our building. These tax increases will have a very adverse effect on our operations.

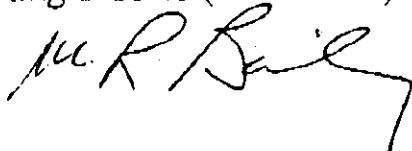
Thank you for your consideration on this matter

Yours Truly

Michael R Bailey

President

Lang's Glass (Richmond) Ltd.

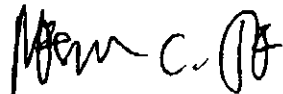


High Impact Auto Body Ltd.
5851 Minoru Blvd. Richmond, BC V6X 2B1
Tel:(604)278-8744
Fax:(604)278-8794

To Property Assessment Review Panel,

My name is Nestor Te, I own High Impact Auto Body Ltd. My landlord's son, Hank VanOosten informed me that the 2008 property assessment has more than doubled from 2007. High Impact Auto Body Ltd. has been a tenant of the VanOosten's since 2003. If the increased property assessment should reflect in a huge increase in property tax it will most certainly force me out of business. It is my hope that a more equitable form of assessing property tax rates will be implemented.

Best Regards,



Nestor Te

OK TIRE & AUTO SERVICE
5831 MINORU BLVD
RICHMOND BC V6X 2B1
TEL (604)278-5171 FAX (604)214-3676

March 7, 2008

To Whom It May Concern:

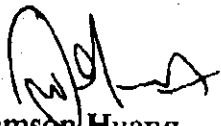
Roll # R-057-584-000

We have been tenants of the Van Oostens since April of 1997 and have a long term lease with them. A slow increase in taxes is expected as Richmond is growing all the time. However a small business cannot possibly budget for such a huge and sudden increase in taxes. There are seven long term employees working here with plans of hiring another, and a 232% increase in the tax portion of our rent will put all of these families in jeopardy. We do not see any reason for this huge increase as services have not improved to that extent.

Please reconsider your assessment with a thought to the small businesses that help to support the City of Richmond. This kind of increase would be very detrimental to our continuing to operate our business.

Thank you for your attention to this matter

Yours truly,



Samson Huang
President
OK Tire & Auto Service



CANADIAN MENTAL
HEALTH ASSOCIATION
ASSOCIATION CANADIENNE
POUR LA SANTÉ MENTALE
Richmond Branch



7351 Elmbridge Way, Richmond, B.C. V6X 1B8 Tel: 604-276-8834 Fax: 604-276-0342 Email: info@cmna-rmd.com

March 31, 2008

Finance Committee
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Dear Finance Committee,

This letter is in regards to the recent tax increase on the property we lease from Richmond Holdings and the impact it has on our organization.

Pathways Clubhouse, Canadian Mental Health Association, Richmond Branch, has served the City of Richmond since 1984. We provide support to people with serious and persistent mental illness by means of supportive and affordable housing, employment, education, volunteering, and social opportunities. Furthermore, our Clubhouse is open 2 evenings a week, weekends and all public holidays.

Pathways Clubhouse is located at 7351 Elmbridge Way, and has a 10 year lease with Richmond Holdings, in which we have 4 years remaining on our lease. The location of the Clubhouse is ideal due to its close proximity to City Centre since the majority of our members are on a disability pension and depend upon public transit. Our rent is very reasonable at \$6.50 per square foot and our operating costs were originally affordable.

Due to the 2007 Property Assessment, we received a 25% tax increase, an increase of \$4,000.00. In September 2007, we received an inflation increase of \$3,900.00 from Vancouver Coastal Health which covered this increase. Unfortunately, the inflation increase from VCH all went towards our tax increase, not our other operating costs. We have now received the 2008 Property Assessment which has caused a 119% tax increase in the amount of an additional \$23,571.00 for a total of \$43,335.00 in taxes. It is our belief that our property and neighbouring area has been over-assessed.

Our organization has always been prudent with our finances and we believe we are a very cost effective program that provides a valuable service to the City of Richmond. The increase in taxes comes at a complete shock, and our difficulty is that all of our funds for the upcoming year are earmarked to our many services. Unfortunately, the additional tax increase we would be required to pay may cause us to be closed on weekends, public holidays, and/or terminating a staff member. Being closed on weekends and public holidays would be a tragedy as this is an important time for our members to receive support from us, when most other mental health programs are closed. Furthermore, if we have to terminate a staff member, we would need to determine what services would cause the least amount of harm if removed.

We appreciate the support we receive from the City of Richmond through the Grants Program and tax relief for our affordable housing block. It is our hope that you will also provide us with tax relief on the property we lease from Richmond Holdings that we believe to have been over-assessed.

Sincerely,

Dave MacDonald
Executive Director

March 31, 2008

The Finance Committee,
City of Richmond

Dear Sirs,

Re: 7740 Alderbridge Way, Richmond

We are the owner of 7740 Alderbridge Way, Richmond. We are strongly opposed to the potential huge tax increase as a result of large increase in assessment valuations.

We have four tenants in the building. If the property tax will be increased to the amount based on the increase in the assessment value increase, all our four tenants will not survive during their lease period. As a result, they will not be there within one to three years period.

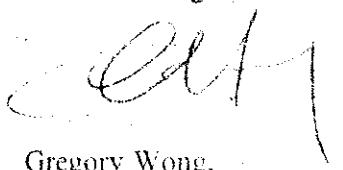
It will be difficult for us to find new tenants for this type of tenancy for the new tax operating costs. The only available avenue then will be a reduction of lease rates. This is not fair and not right both for the tenants and us.

This area will not be developed for another 8 to 15 years in my view. It may happen in 5 to 7 years. What do the owners do in the mean time?

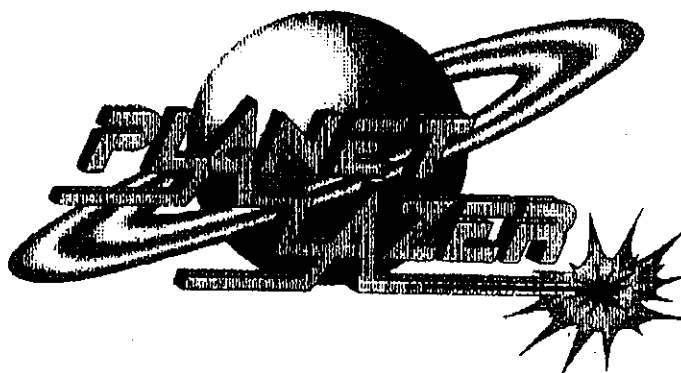
The assessment value in this area is also over valued. The comparables are not accurate due to the timing of the developments and the authority of City's planning department as a result of the CCAP.

In short, we ask the City to either to reduce the assessment value or to defer the tax increase until developments arrive, or both.

Yours truly,
GKW Holdings (Alderbridge) Ltd.



Gregory Wong,
President



March 31 2008

City of Richmond / Finance Committee

RE: Submission for April 8th 2008 meeting regarding Property Tax increase and impact

I strongly object to the unprecedented and unreasonable increase in the recent Property Tax levied at my businesses location in Richmond.

I understand that the increase is reflective upon the sale of one property in the area, and now has been an excuse to raise Property Taxes to an absurd level. I have seen my taxes jump significantly in my 14 years at my location, but this last increase is simply ridiculous, unwarranted and unsupported as to its reasoning, and waives in the face of common sense and rational.

City of Richmond has every right to collect and asses tax from properties in a reasonable and fair manner for the benefit of its citizens. To establish such a high rate of assessment only goes to cut the very people who are paying these taxes.

I will be unable to renew my lease, and the balance term of my current lease will endure a tremendous stress in my businesses ability to function, if the City's decision stands. The burden, especially in the form of such a dramatic increase, is too difficult to manage financially as a small business - I am confident I am not the only one now facing the same conclusion. Furthermore, I would need to seriously consider the fact any relocation in the City of Richmond could not be done in confidence knowing the City could show the same careless attitude toward my business at any possible Richmond location I may then choose, as it is demonstrating now.

I strongly urge the City of Richmond to reconsider and re-evaluate its assessment. At the heart of the issue are the manner and logic of how the assessment was conceived, and the negative result that will surely stem from it.

Michael Marti
Planet Lazer Group
7391 Elmbridge Way
Richmond, B.C.
V6X 1B8
604-612-9616



Gordon Russell Limited

#140 - 6851 ELMBRIDGE WAY, RICHMOND, B.C. V7C 4N1
TEL (604) 270-1611 FAX (604) 270-1033

March 31, 2008

City of Richmond
Mayor's Office
6911 No. 3 Road
Richmond, B.C., V6Y 2C1

Attention: City of Richmond, Mayor Brodie & Councilors

Dear Sir,

Re: Excessive Property Valuation and consequent Inequitable Cost Increases

Gordon Russell Ltd. is a family-owned business operating in the competitive industrial distribution / sales sector. Currently employing fifteen people, we have been located in the North West Quadrant of Richmond City Center for over thirty (30) years.

Located near the Olympic Skating Oval our company now faces extreme lease rate increases due to excessive property valuations. Even in the overheated Lower Mainland real estate market a tripling of these valuations seems unreasonable and unwarranted.

We are reminded that Richmond Council's decision to pursue the Skating Oval was completely without public consultation. To companies such as Gordon Russell Ltd., operating within long-term lease agreements, this 'behind closed door' major change to historical zoning gave no opportunity to plan the repercussions to our business.

The owners of Gordon Russell Ltd. ask the City to recognize the important role of small business in Richmond and make a commitment to see that their costs are maintained at a reasonable level. The current situation is unfair to small business and demands an immediate roll-back.

We await a positive response from the City of Richmond, and of course, are at your service to answer any questions you may have.

Sincerely,
Gordon Russell Ltd.

Owners: Brian Russell

Graham Russell