



RESORT MUNICIPALITY OF WHISTLER

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STAFF REPORT TO COUNCIL

PRESENTED: September 20, 2022 **REPORT:** 22-133
FROM: Finance **FILE:** 3900-20-2368
SUBJECT: PERMISSIVE TAX EXEMPTION BYLAW NO. 2368, 2022 REPORT

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Corporate and Community Services be endorsed.

RECOMMENDATION

That Council consider giving first, second and third readings to “Permissive Tax Exemption Bylaw No. 2368, 2022”.

PURPOSE OF REPORT

The purpose of this report is to request Council’s consideration for approving permissive tax exemptions for the 2023 tax year. Unlike in prior years where exemptions were approved for a five year period, staff are recommending approving exemptions for a one-year period to bring the bulk of the property exemptions into the same renewal cycle, and to allow the incoming Council discretion on exemptions for future tax years. Three changes are also proposed for the 2023 tax year. These include changes to the Whistler Sports Legacies (WSL) properties at 1315 and 1345 Cloudburst Lane, as well as to the Waldorf Whistler School Society (WWSS) leased lands at 7324 Kirkpatrick Way.

Information Report Administrative Report (Decision or Direction)

DISCUSSION

Background

Permissive tax exemptions, as legislated in *Part 7, Division 7* of the *Community Charter*, may be provided to qualifying applicants to exempt land or improvements, or both, from property taxes. The authority to grant permissive tax exemptions is a policy tool available to Council to assist with promoting of achieving specific goals in the community.

A permissive tax exemption bylaw must be adopted by October 31 of the year before which the tax exemption is to apply. Accordingly, permissive tax exemptions for the 2023 tax year are discussed herein and are documented in Permissive Tax Exemption Bylaw No. 2368, 2022 (Bylaw).

Analysis

1315 and 1345 Cloudburst Lane

The property at 1315 Cloudburst Lane transferred from the Resort Municipality of Whistler (RMOW) to WSL in June, 2020, and so became taxable. The RMOW at the time opted to grant the property a two-year exemption; time intended to allow for construction to proceed and for the building to be occupied and begin to generate rental revenue. Construction is now well under way and occupancy anticipated for January 2023. As such, and consistent with other similar projects, 1315 Cloudburst Land should become taxable for the 2023 tax year.

Regarding 1345 Cloudburst Lane, ownership of this property transferred from the RMOW to WSL in 2011, the governing agreement included the following language: *“WSL will promptly pay when due on its own account and without any variation, set-off or deduction all amounts, charges, costs, duties, expenses, fees, levies, rates, sums and taxes in any way relating to the Trust Property.”* Although 1345 Cloudburst lane has, in the past, been granted an exemption, the change proposed will bring the practice into alignment with the existing agreement.

7324 Kirkpatrick Way

The lease agreement between RMOW and WWSS for the property located at 7324 Kirkpatrick Way includes the following language: *“WWSS shall pay any and all property taxes assessed against the License Area (if applicable as determined by BC Assessment)”*. Although 7324 Kirkpatrick Way has, in the past, been granted an exemption, the proposed change will bring the practice into alignment with the lease agreement.

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

A permissive tax exemption must be adopted by bylaw on or before October 31 in order for the exemption to be in effect for the following tax year. The exemption applies to the next calendar year and any subsequent years, up to a maximum of 10 years, as provided for in the bylaw. Because permissive tax exemptions may be approved for multiple years, not every exemption is up for consideration every year. For tax year 2022, exemptions were considered and approved at the October 5, 2021 Council meeting.

The proposed permissive tax exemption bylaw amendment is in accordance with the RMOW's policy statement as included in the [Five-Year Financial Plan Bylaw 2022-2026 No 2348, 2022, Schedule C](#), which states the following:

“As permitted by the Community Charter, council has granted exemptions from municipal property taxes for the following general purposes:

- *Land and improvements surrounding a statutorily exempt building for public worship.*
- *Properties owned or held by a not-for-profit organization whose purpose is to contribute to the well-being of the community with the provision of cultural, social, educational or recreational services.”*

Corporate Plan

The RMOW Corporate Plan is updated annually and articulates strategic direction for the organization. This section identifies how this report links to the plan.

Council Focus Areas

- Community Balance

*Effectively **balance resort and community needs** through deliberate planning, partnerships and investment*

- Climate Action

*Provide leadership to **accelerate climate action and environmental performance** across the community*

- Housing

*Advance strategic and innovative initiatives to enable and **deliver additional employee housing***

- Pandemic Recovery

*Leadership and support for **community and tourism recovery and sustainability** – priority focuses are where recovery needs intersect with other Council focus areas*

- Not Applicable

Corporate Goals

- Community character and mountain culture is reflected in municipal initiatives
- Municipal decision-making supports the effective stewardship of natural assets and ecological function
- Corporate policies and operations ensure continuous excellence in infrastructure, facility and program management
- A high level of accountability, transparency and community engagement is maintained
- Corporate financial health is optimized to ensure long-term community success
- A vibrant local economy and safe, resilient resort community is effectively reinforced by organizational activities

Community Vision and Official Community Plan

The Official Community Plan (OCP) is the RMOW's most important guiding document that sets the community vision and long-term community direction. This section identifies how this report applies to the OCP.

Permissive tax exemptions enable Whistler to be a place where our community thrives, nature is protected and guests are inspired. This is evident from the variety of organizations granted exemptions,

from the Squamish Lílwat Cultural Centre to Whistler Community Services Society and Whistler 2010 Sports Legacies Society. Specific OCP objectives and policies addressed by this report, are as follows:

- OCP Policy 6.4.1.1 – support the user-pay approach to municipal services while taking into consideration affordability measures and the policies of the OCP.
- OCP Policy 8.6.1.5 – ensure the municipality effectively and efficiently balances its costs and expenditures.
- OCP Objective 8.11.1 – engage with service providers and the community to maintain and coordinate high quality services with a particular focus on the needs of those who are most vulnerable.

BUDGET CONSIDERATIONS

Permissive tax exemptions reduce the net assessed value of properties subject to taxation in the municipality, and thus result in other taxpayers paying more to meet the budgeted tax revenue of the RMOW. Nevertheless, it is recognized that tax exemptions are designed, and in some cases necessary, to support organizations that add to the community's quality of life by providing key cultural, social, educational or recreational services.

The estimated value of total permissive tax exemptions recommended on the ten non-profit and two place of worship properties for 2023 is \$546,000 (calculated on 2022 assessed property values and the RMOW's 2022 municipal tax rates). This value is subject to change with actual assessed values on the 2023 assessment roll (available in January 2023) and the RMOW's 2023 municipal tax rates.

LÍLWAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Lílwat People, known in their language as *L'il'wat7úl* and the Squamish People, known in their language as the *Skwxwú7mesh Úxwumixw* to: create an enduring relationship; establish collaborative processes for Crown land planning; achieve mutual objectives; and enable participation in Whistler's resort economy. This section identifies areas where RMOW activities intersect with these relationships.

The Spo7ez Cultural Centre & Community Society have been granted a permissive tax exemption since 2005 in recognition of their contribution to the well-being of the community with the provision of cultural, social, and educational services. The Squamish Nation and Lílwat Nation are not expected to be affected by these recommendations any differently than is the broad community.

COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

Inform Consult Involve Collaborate Empower

As required by *Community Charter* section 227, public notice of Council's intent to adopt the Bylaw must be published in the local newspaper for two consecutive weeks prior to adoption. Accordingly, public notice will appear in the *Pique Newsmagazine* on September 22 and 29, 2022.

REFERENCES

“Permissive Tax Exemption Bylaw No. 2368, 2022” (Included in Council Package)

SUMMARY

This report seeks Council’s first three readings of the Bylaw, including approval of a permissive tax exemption for the list of properties included in Schedules A, B and C of the Bylaw.

SIGN-OFFS

Written by:

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Reviewed by:

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