

City of Kelowna

Market Conditions

Average Percent Market Increase By Property Class Between 2008 & 2009

| | <u>2008</u> | <u>2009</u> | <u>Market</u> | <u>New Const</u> |
|-------------------|--------------|--------------|---------------|------------------|
| Res/Rec/NP/SH | 19,076.3 | 19,662.5 | -0.30% | 3.38% |
| Utilities | 20.5 | 20.8 | 0.00% | 1.40% |
| Major Industrial | 26.6 | 26.6 | 0.00% | 0.00% |
| Lt Ind'l/Business | 3,032.8 | 3,089.6 | -0.71% | 2.58% |
| Farm Land | 21.7 | 21.7 | 0.56% | -0.27% |
| Farm Improvements | <u>222.6</u> | <u>221.4</u> | <u>0.27%</u> | <u>-0.81%</u> |
| Totals | 22,400.5 | 23,042.6 | -0.35% | 3.22% |

(in millions)

City of Kelowna

2009 Tax Distribution Policy

Options

- 1. Modified Tax Class Ratios**
 - Market Value Shifts Between Classes**
- 2. Maintain Same Tax Class Ratios**
- 3. Maintain Same Percentage Tax Share**
- 4. Adopt Full Market Assessment**

City of Kelowna

Option 1 - Equalize Market Value Shifts

| | <u>% Market Change</u> | <u>% Tax Rate Change</u> | <u>% Ave Impact</u> |
|-------------------|-------------------------------|---------------------------------|----------------------------|
| Res/Rec/NP/SH | -0.3 | 3.7 | 3.40 |
| Utilities | 0.0 | 3.4 | 3.40 |
| Major Industrial | 0.0 | 3.4 | 3.40 |
| Light Ind/Bus/Oth | -0.7 | 4.1 | 3.40 |
| Farm Land | 0.6 | 0.0 | 0.56 |
| Farm Improv | 0.3 | 3.1 | 3.40 |

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Option 2 - Maintain Same Tax Class Ratios

| | <u>% Market Change</u> | <u>% Tax Rate Change</u> | <u>% Ave Impact</u> |
|-------------------|-----------------------------------|-------------------------------------|--------------------------------|
| Res/Rec/NP/SH | -0.3 | 3.8 | 3.5 |
| Utilities | 0.0 | 3.8 | 3.8 |
| Major Industrial | 0.0 | 3.8 | 3.8 |
| Light Ind/Bus/Oth | -0.7 | 3.8 | 3.1 |
| Farm Land | 0.6 | 0.0 | 0.6 |
| Farm Improv | 0.3 | 3.8 | 4.1 |

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Option 3 - Maintain Same Percentage Tax Share

| | <u>% Market Change</u> | <u>% Tax Rate Change</u> | <u>% Ave Impact</u> |
|-------------------|-----------------------------------|-------------------------------------|--------------------------------|
| Res/Rec/NP/SH | -0.3 | 3.4 | 3.1 |
| Utilities | 0.0 | 5.1 | 5.1 |
| Major Industrial | 0.0 | 6.6 | 6.6 |
| Light Ind/Bus/Oth | -0.7 | 4.7 | 3.9 |
| Farm Land | 0.6 | 6.3 | 6.9 |
| Farm Improv | 0.3 | 7.2 | 7.5 |

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Option 4 - Full Market Assessment

| | <u>% Market Change</u> | <u>% Tax Rate Change</u> | <u>% Ave Impact</u> |
|-------------------|-----------------------------------|-------------------------------------|--------------------------------|
| Res/Rec/NP/SH | -0.3 | 28.0 | 27.6 |
| Utilities | 0.0 | -79.3 | -79.3 |
| Major Industrial | 0.0 | -67.8 | -67.8 |
| Light Ind/Bus/Oth | -0.7 | -52.7 | -53.0 |
| Farm Land | 0.6 | 0.0 | 0.6 |
| Farm Improv | 0.3 | 131.3 | 131.9 |

City of Kelowna

2009 Tax Distribution Policy Comparison with 2008

| | <u>2009 Tax Class Ratio</u> | <u>2008 Tax Class Ratio</u> |
|-------------------|--|--|
| Res/Rec/NP/SH | 1.0000:1 | 1.0000:1 |
| Utilities | 6.1541:1 | 6.1729:1 |
| Major Industrial | 3.9580:1 | 3.9701:1 |
| Light Ind/Bus/Oth | 2.7177:1 | 2.7067:1 |
| Farm Land | .1579:1 | .1562:1 |
| Farm Improv | .5503:1 | .5535:1 |

City of Kelowna

2009 Tax Distribution Policy As Presented

DOES:

Eliminate Shifts Between Property
Classes

DOES NOT:

Eliminate Shifts Within Individual
Property Classes

City of Kelowna

All Taxing Authorities

Tax Class Ratios

| | <u>Municipal</u> | <u>School</u> | <u>BC Assessment</u> | <u>CORD & Hospital</u> |
|-----------------------|------------------|---------------|----------------------|----------------------------|
| Residential | 1.00 | 1.00 | 1.00 | 1.00 |
| Utilities | 6.15 | 7.48 | 7.72 | 3.50 |
| Supportive Housing | 1.00 | 1.00 | 1.00 | 1.00 |
| Major Industrial | 3.96 | 4.90 | 7.72 | 3.40 |
| Light Industrial | 2.72 | 3.58 | 3.16 | 3.40 |
| Business/Other | 2.72 | 3.58 | 3.16 | 2.45 |
| Recreation/Non-Profit | 1.00 | 1.90 | 1.00 | 1.00 |
| Farm Land | 0.16 | 3.58 | 1.00 | 1.00 |

City of Kelowna

2009 Tax Distribution Policy and Objectives

Current Policy:

Eliminate Tax Impacts Between Property
Classes

Additional:

Remain Below Average for Business Class

Consider a Business Class Cap of 3.00 :1

City of Kelowna

2008 RATIOS >50,000

| <u>MUNICIPALITY</u> | <u>UTILITIES</u> | <u>MAJOR INDUSTRY</u> | <u>LIGHT INDUSTRY</u> | <u>BUSINESS</u> |
|---------------------|------------------|---------------------------|---------------------------|-----------------|
| VANCOUVER | 16.22 | 13.27 | 5.08 | 5.08 |
| COQUITLAM | 14.29 | 19.93 | 5.20 | 4.99 |
| BURNABY | 13.11 | 17.53 | 3.98 | 3.98 |
| SAANICH | 7.74 | 3.82 | 3.82 | 3.82 |
| NEW WESTMINSTER | 8.46 | 6.96 | 7.03 | 3.78 |
| NORTH VCR. | 17.05 | 19.55 | 11.58 | 3.67 |
| VICTORIA | 9.18 | 4.74 | 4.74 | 3.67 |
| PORT COQUITLAM | 12.36 | - | 4.37 | 3.59 |
| RICHMOND | 12.53 | 3.72 | 4.31 | 3.49 |
| KAMLOOPS | 8.34 | 12.69 | 5.20 | 3.34 |
| MAPLE RIDGE | 11.83 | 11.27 | 3.29 | 3.29 |
| DELTA | 13.12 | 8.83 | 3.64 | 3.25 |
| SURREY | 13.73 | 5.30 | 3.23 | 3.23 |
| LANGLEY | 14.17 | 3.46 | 3.18 | 3.14 |
| NANAIMO | 8.18 | 7.52 | 3.17 | 2.98 |
| ABBOTSFORD | 9.64 | - | 2.89 | 2.91 |
| KELOWNA | 6.17 | 3.97 | 2.71 | 2.71 |
| CHILLIWACK | 10.18 | - | 2.59 | 2.48 |
| PRINCE GEORGE | 5.70 | 7.26 | 2.34 | 2.28 |

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2009 Tax Distribution Policy and Objectives

Additional:

Consider a Business Class Cap of 3.00 :1

EX. - Reduce Business Class by .1 in 2009
(to 2.6177) means a tax impact of 1.1% to
other property classes