

Port of Vancouver pays C\$118 million in taxes

By Alan Daniels

The Port of Vancouver contributes C\$118 million in taxes to the eight municipalities that border its property, according to a study commissioned by the Vancouver Port Authority.

The study, by Vancouver-based InterVISTAS Consulting, said that port property taxes in 2003 comprised up to 23 percent of budgeted tax revenues in those municipalities.

"Municipalities have a vested interest in the success of port business," said Gordon Houston, president and chief executive of the Vancouver Port Authority. "This study conclusively demonstrates the economic benefits that the Port of Vancouver pays directly into municipal coffers."

Earlier this year, the British Columbian government imposed a 10-year cap on the amount of municipal taxes paid by Port of Vancouver terminal operators. Although strongly opposed by local councils, the tax break is credited with sparking new investment totaling more than C\$250 million in terminal operations.

Now shipyards and other waterfront industrial users are lobbying for similar tax breaks.

According to a report prepared by MMK Consulting for the North Shore Waterfront Industrial Association, industries in the city of North Vancouver, for example, pay \$2.25 for every \$1 of services they use, compared with 58 cents paid by residential property owners.

"It's not a tax on profits. It's a tax on doing business," said Malcolm McLaren, president of Allied Shipbuilders. "It's certainly a disincentive to putting in capital improvements. There is no sense in improving your business when it means that your taxes go up even higher."

According to the InterVISTAS report, port property taxes accounted for 23 percent of budgeted tax revenues in the city of North Vancouver, 20 percent in the district of North Vancouver, 16 percent in the city of Port Moody, 8 percent in the corporation of Delta, 5 percent in the city of Vancouver, 3 percent in the city of Burnaby, 2 percent in the district of West Vancouver and 1 percent in the village of Belcarra. "