

**MINUTES**  
**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

Held virtually via MS Teams  
**October 4, 2023 at 5:32 pm**

Present: Councillor Zac de Vries (Chair), Raymond Chan, Amber Hockin, Patrick Marshall, Richard Michaels, Victoria Shannon, Rob Wickson, John Wilson and Alan Winter

Staff: Paul Arslan, Director of Finance; Jennifer Lockhart, Senior Manager of Financial Services; Mitchell Edgar, Economic Development Manager; and Megan MacDonald, Senior Committee Clerk

Regrets: Tim Petropoulos and Jennifer Vornbrock

---

**ADOPTION OF MINUTES**

**MOVED by R. Wickson and Seconded by R. Michaels: “That the Minutes of the June 27, 2023, Economic Development Advisory Committee meeting be approved.”**

**CARRIED**

**COUNCIL TAX POLICY**

The Director of Finance and the Senior Manager of Financial Services presented information on the Council referral Motion related to the Council Tax Policy (PowerPoint on file), and the following was noted:

- Council previously directed staff to bring forward a report on options for tax policy. The report was scheduled for March 20, 2023, during which a decision was made to defer the report and discussion to both the Economic Development Advisory Committee as well as the Finance and Governance Standing Committee.
- Section 165 of the *Community Charter* indicates a municipality must have a financial plan that is adopted annually, by bylaw before the annual property tax rate bylaw.
- Municipalities must also set out objectives and policies for the financial planning period that include the distribution of property tax values among the property classes.
- Properties are classified into one (or more) of nine property classes. BC Assessment then gives each municipality their assessment value totals broken down by class.
- The longstanding approach of the District was to ensure stability by keeping a consistent and proportionate relationship between property classes and uniform tax increases.
- Market values of properties and therefore property class assessment values can fluctuate year over year. Disproportionate assessment changes will result in a tax burden shift to the class with the highest assessment increase unless tax ratios are adjusted to evenly distribute tax increases among each class.
- If tax ratios are not adjusted, we would expect the residential class to see more of an increase when compared to the business class.
- In 2023, 94% of assessments were residential properties; these taxpayers were responsible for 76% of the property taxes. Businesses made up 6% of the assessment value and paid 23% of the property taxes. To date, the percentage of assessment distribution between residential and business has stayed relatively stable.
- There were generally equal tax increases between the different property classes in 2023, which was an increase of at 7.19%., except the farm class.

- Saanich is tied with Metchosin for the fourth highest business to residential tax ratio. Both Saanich and Metchosin's assessment base are primarily residential. Metchosin also has quite a bit of farmland.
- Questions have been raised as to the perceived fairness of the different property tax rates paid by commercial taxpayers, although this is considered to be standard practice.
- Arguments from both sides must be considered when setting the tax ratio.
- Staff have compiled tax policy options for consideration. The first option is to maintain the existing practice/policy. The second option is to aggressively reduce the business class tax share from 23% to 20% over 6 years. A third option is to less aggressively reduce the tax share paid by business from 23% down to 20% over twelve years.
- Staff are also seeking direction regarding the use of non-market change assessment.

The following was noted in response to questions and comments from committee members:

- If the number of tax folios is to increase, there could be adjustments to the ratios to keep the current business rate around 23% but avoid a large increase to residential.
- Option 1 could reduce the business rate if we are adding more businesses to Saanich.
- Reducing the business rate may be beneficial to attract more businesses. The goal is to be competitive, however the tax rate was not raised as an issue during the engagement for the Economic Development Strategy (EDS).
- The options provide high level information, more metrics are needed to determine the effects and outcomes of various scenarios such as rapid or slow folio growth.
- Taxes are tied to service; Saanich is competitive in the region.
- More specific metrics related to the impacts of economic development and adding folios to the tax base are needed to determine the best way forward.
- Expanding tax folios and advocating for growth will have a significant effect on rates.
- It is not possible for the committee to comment on the long-term targets until the EDS is in place and implemented, and information related to the outcomes is available.

The following was noted related to growth and non-market change:

- Critical capacity is impacted as additional residents and business clients represent additional costs to planning, parks, policing and many other aspects.
- Housing targets, the need to streamline the development process and additional staff costs must be considered when trying to reduce the overall tax increase.
- Option 2 is supportable as the requirements for process changes and adding additional staff will have a bigger impact; these must be considered first.

**MOVED by V. Shannon and Seconded by R. Chan: "That the Economic Development Advisory Committee recommend Council add to the tax policy the allocation of non-market change revenue first to development-related positions and costs starting in 2024, with any remaining funds applied to reduce property taxes across all classes."**

**CARRIED**

**MOVED by R. Wickson and Seconded by R. Chan: "That the Economic Development Advisory Committee recommend that Council approve the removal of the Employer Health line item on the tax notice and ask staff to factor the amount in with the Municipal General tax rate."**

**CARRIED**

### **FOOD HUB FEASIBILITY STUDY UPDATE**

The Economic Development Manager gave a brief verbal update on the Food Hub Feasibility Study, which was considered and approved by Council earlier this year. The following was noted during the update and in response to questions from the committee:

- Grants were obtained from the Provincial Government to fund the study.
- Camosun College has been identified as a potential location for an Indigenous Food Hub, as their strategic plan goals identify the need for indigenous food and education.
- Further consultation with local First Nations will take place.

**MOVED by V. Shannon and Seconded by A. Hockin: “That the Economic Development Advisory Committee receive the update on the Food Hub Feasibility Study for information.”**

**CARRIED**

### **ECONOMIC DEVELOPMENT STRATEGY DISCUSSION**

The Economic Development Manager gave a brief verbal update on the Economic Development Strategy, and the following was noted:

- The draft has been updated based on feedback from previous engagement. The next steps include integrating committee feedback, adding pictures and graphics. Once complete the document will be forwarded to Council for consideration.
- The Economic Development Strategy (EDS) should include more acknowledgements and better define other organizations that can be leveraged to accomplish the goals. This will build a perception of the EDS being a movement rather just a Saanich idea.
- Partnerships are integral to further economic development. This includes many internal and external partnerships. Communications about actions will be posted in the future.
- Some process simplifications could help further economic development, an example was given of regulatory issues preventing a business from adding a patio with a couple seats as the increased seat number means they also need to add a second bathroom.
- Success of some businesses is hindered by municipal regulations.
- Additional housing will help to bring more people to Saanich, more people will mean better viability for new small businesses to start.
- Viability of small businesses in residential neighborhoods will benefit from additional density, including building up corridors and ground level commercial space in condos.
- The consultant identified potential projects in the EDS.
- Growing the residential tax base and number of residents is of utmost importance. More residents mean more businesses will open as there will be higher income potential.
- Housing is the main source of income for Saanich, which can be increased by diversification of the tax base. Moving away from single family dwellings to mixed use complexes and higher density is favorable from a taxation standpoint.
- Completion of the strategy is a milestone that should be celebrated.
- Section 1.9 would be better titled as “Partners in Implementation” and could also say “include the following”. Currently the list seems to be exhaustive, however it is not.
- Acknowledging the role of the partnership with Provincial and Federal governments should be moved to a more prominent location. There is mention later in the report, but it could be strategically placed earlier on to highlight importance.
- As the strategy progresses and work begins on actions there will be a need for additional staff and resources. Currently the Economic Development division falls solely on the Manager of Economic Development, the EDS does include mention of more staff.

- The EDS could have more information on the long-term workplan and future budget requirements for staffing. Endorsement and moving forward will require this information.
- Human capital is an important piece of the strategy.
- This is a comprehensive document that covers all aspects quite thoroughly.

**MOVED by A. Hockin and Seconded by A. Winter: "That the Economic Development Advisory Committee recommend that Council approve the Economic Development Strategy following any updates based on feedback from the committee."**

**CARRIED**

## **ADJOURNMENT**

On a motion from A. Hockin, the meeting adjourned at 7:37 p.m.

## **NEXT MEETING**

The next meeting will take place in January 2024.

---

Chair

I hereby certify these Minutes are accurate.

---

Committee Secretary