

# UNIVERSITY ENDOWMENT LANDS: Taxation & Finance

Ministry of Community, Sport and Cultural Development



UEL Factsheet Series: #8

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# University Endowment Lands: Taxation & Finance

## OPERATIONAL FINANCE

The UEL Administration is part of a branch of the provincial government. UEL property taxes are collected and received by the **Provincial Surveyor of Taxes**. Fees and other charges are collected by the UEL Administration. All revenue flows into the Provincial Consolidated Revenue Fund.

Similarly, all staff and other operating and capital costs are paid for by the province from the Consolidated Revenue Fund. The **annual budget** for the UEL is a line item in the overall budget of the **Ministry of Community, Sport and Cultural Development**.

## REVENUES & EXPENDITURES

UEL **revenues** include: property taxes; water charges to residents, businesses and to UBC; parking meter collections; business licences; and various fees for services determined by the UEL’s bylaws.

Although there is no direct link between revenues received and expenditures made (as all monies flow to and from the overall provincial budget), the UEL’s budget reflects a balance of projected revenues to planned **expenditures**. Year to year, the level of property taxes for the UEL area is set to take into account the projected other revenues that will be collected by the UEL Administration through that fiscal year.

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### *DID YOU KNOW...*

The UEL Administration prepares its **annual budget** for funding the services that it provides. This is done in consultation with the UEL **Community Advisory Council** and in compliance with provincial Treasury Board guidelines. Amounts to fund the UEL services are considered by **Treasury Board** as part of the overall provincial government budget which is then approved by the provincial legislature.

### *DID YOU KNOW...*

The **expenditure budget** for the UEL Administration is set in the provincial budget based on historic previous year’s levels; increases are constrained by provincial government policy.

### ***DID YOU KNOW...***

The UEL Administration does not have the powers to accumulate reserves from one year to another to fund capital programs or to debt-finance capital works.

### ***DID YOU KNOW...***

In addition to the general property tax, UEL properties pay the provincial police property tax and other taxes payable in all Metro Vancouver municipalities such as school taxes, TransLink taxes, Metro Vancouver taxes for regional services and taxes paid to the BC Assessment authority for property assessment services.



## **WHAT DOES THE BUDGET FUND?**

The UEL Administration budget funds services such as sanitary sewer, storm drainage, garbage and compostable waste collection, local roads, a share of fire service costs, and community administration, including salaries, buildings, materials and equipment necessary to carry out the work. Projects to upgrade the more than \$51 million in UEL infrastructure are a large part of the annual expenditure.

Water service is billed on a metered basis three times per year, aligned with the cost of purchasing the water at seasonally adjusted rates from the Greater Vancouver Water District. Sewage flows to the Greater Vancouver Sewerage and Drainage District for treatment and disposal, the cost of which is proportional to water utilization.

## **PROPERTY TAXES**

The service levels that the UEL Administration can provide residents are determined by its status as a part of a branch of the provincial government, with the associated budget constraints and limits on staffing and the mandate provided through governing legislation. This also defines the UEL Administration's ability to fund longer term capital works and mechanisms to deal with the funding of development related infrastructure. While comparisons have their challenges, these constraints, when combined with the current arrangements for the provision of police and fire services, do result in lower property taxes in the UEL area (2015) compared with the City of Vancouver and UBC/UNA for properties of equivalent value.

- ◆ 20 percent lower for strata units (in both Vancouver and UNA);
- ◆ 24 percent lower for single family houses; and
- ◆ 33 percent lower for commercial properties.



## DEVELOPMENT FINANCE

There are limits on the UEL Administration’s ability to deal with the cost and impacts of development and share such costs among different development projects. For some time it has collected regional sewer Development Cost Charges on new multi-family and commercial development on behalf of Metro Vancouver. A new *Works and Services Bylaw* was approved in 2016 which enables recovery of the engineering and legal costs of subdivision and ensuring that developers pay for some of the infrastructure impacts associated with new development. The bylaw also establishes metrics and standards by which public infrastructure must be built, consistent with practices in municipalities across the province.

*“The new Block F development will add 2,300 new residents – increasing the population by 1.5 times”*

## LOOKING AHEAD...

In November 2016, zoning was approved for a comprehensive development between University Boulevard and Acadia Road. This Block F development will bring in added revenue, from property taxes fees (e.g. parking meters), and require additional services including to manage the new community centre, maintain the trails and new park, and to maintain the above and below ground public infrastructure.

Once built out, Block F will also add approximately 2,300 new residents to the UEL’s current population of 4,000. A new commercial area, with a grocery store, as well as new towers, townhouses and apartments will add to the community fabric.

The UEL can also expect pressure to redevelop other portions of the multi-family neighbourhood (Area D), in the near future.

### ***DID YOU KNOW...***

The UEL Administration does not have ability to impose Development Cost Charges, or similar development impact fees.

### ***DID YOU KNOW...***

Construction of Block F means new services for the UEL: a publicly run community centre, a new community park, workforce housing and a new private daycare.

### **FACTSHEETS IN THIS SERIES**

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