

Fair Tax group changes leaders, tactics

New emphasis will be on small businesses which form backbone of city's economy

BY DON CAYO, VANCOUVER SUN SEPTEMBER 14, 2013

Ed Des Roches and Paul Sullivan, two of the main spokesmen for and best brains behind Vancouver's seven-year-old Fair Tax Coalition, are stepping down as co-chairs and passing the torch to a couple of smallbusiness champions.

No doubt the new voices - Claudia Laroye, the executive director of the Marpole Business Improvement Association, and Sharon Townsend, who has the same role for the South Granville BIA - represent a shift in focus for the business-funded lobby group.

But the folks at City Hall shouldn't assume they've heard the last from the two old warhorses - hard-nosed analysts who, in my view, raised property tax discussions in Vancouver to a higher level than ever before.

The focus of the coalition will narrow somewhat, as will its base, under the new leadership. What began as a lobby group representing all businesses in the city will shed its big business links and concentrate on its core - the much more numerous small businesses, both industrial and retail, that make the city hum.

Sullivan and Des Roches will still be advising the group, Laroye told me during a chat in Sullivan's office, where a small group had gathered to discuss the handover of the top jobs.

"We won't give up the intellectual capital that has been built up over seven years," she said.

This capital is substantial.

Des Roches, a retailer, and Sullivan, senior partner and property-tax specialist in the real estate consulting firm of Burgess Cawley Sullivan, say they're pleased with what they consider the coalition's two main accomplishments over its first seven years. One is "elevating the issue" of the egregious property tax burden Vancouver heaps on its business community. The other is getting the Vision-dominated city council to stay the course with a series of modest tax shifts, which have lessened but not eliminated the problem,

that were started by the previous Non-Partisan Association council.

In my analysis, just as important is the rigour the coalition - especially Sullivan - brought to the propertytax debate. He advocates what he calls a "tax topography" approach to policymaking, a wonkish-sounding concept that really just means figuring out the impact of a tax policy before adopting it rather than waiting to see what happens afterwards.

He's a number-cruncher's numbercruncher, which may sound dull, but the conclusions he draws are often as headline-worthy as they are hard to refute. The granddaddy of these eye-openers was, to me, the explanation Sullivan provided back in 2006 of how the City of Vancouver manages to lose hundreds of thousands of dollars a year - maybe millions - each time a shabby business block falls to the wrecker's ball and a condo tower rises in its stead. This is hard to get your head around, but Sullivan's math was spelled out in my story and large graphic published in The Sun. It's true the assessed value soars when a tower is built, but because the business was paying a property tax rate that was then six times higher than residents pay (it's now 4.5 times higher) and because the residents use far more city services, the result is a huge net loss.

I think this conclusion was news to City Hall. And, judging from City Hall's actions - or inactions - in the years to follow, I'm not at all sure it has sunk in yet.

Leroye and Townsend aren't number-crunchers in Sullivan's league, but both will bring another kind of in-depth knowledge - not to mention passion - to the debate.

Leroye tells me she hand-delivers BIA material to businesses in Marpole, most of them small, and she learns a lot when she stops to talk.

Neighbourhood business owners have watched the little companies next door drop like flies in an area where redevelopment plans are driving costs sky high - including property taxes, which can soar thousands or tens of thousands in a single year - and they're wondering if or when they'll be next.

"I used to collect cards from businesses that closed," she says, holding her thumb and forefinger a couple of inches apart to show what she accumulated early in her 13 years on the job. "I've stopped - it's getting too depressing.

"But I can tell you that vacant storefronts and the broken-window syndrome aren't helping our neighbourhood at all."

dcayo@vancouversun.com

© Copyright (c) The Vancouver Sun