

# Vancouver's Big Owe

A leak of confidential documents reveal yet another Olympic taxpayer bombshell. It turns out the City of Vancouver granted a \$100-million loan to the developer of the Olympic Athletes Village. By January, it became apparent that Vancouver property taxpayers may be on the hook for upwards of a billion dollars when all is said and done.

In 2006, bureaucrats at the City of Vancouver recommended a "risk free" deal for construction of the Olympic Athletes Village with a little-known developer Millennium Properties. Millennium agreed to pay \$193-million for the land (with a

\$29-million down payment), build the village and then sell the units after the Games. As part of the deal, the city would keep title to the land until the village was complete and would not assume any financial risk for its construction.

However, because the city held the land, Canadian banks refused to loan Millennium money — something Millennium had counted on to cover construction costs.

Millennium ended up securing funding from a publically-traded New York-based Hedge Fund called Fortress Investment Group. At one point, Fortress



Maureen Bader  
B.C. director

it is \$125-million over-budget!

With Olympic construction deadlines looming, Vancouver city council in a private, closed-door meeting, advanced Millennium \$100-million to keep construction going.

With Fortress now out of the picture (at a cost of \$321-million including \$4-million in penalties) the project still needed another \$458-million to complete. To avoid facing angry taxpayers in a referendum, the provincial legislature was reconvened to amend the city's charter so it can borrow that amount. In fact, the prov-

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managed to secure a \$190-million guarantee from the City of Vancouver to continue advancing funds toward the \$750-million construction cost.

By now we're into 2008, and coupled with collapse of the US stock market and Fortress' inability to continue funding the project, Millennium announced

ince allowed the city to borrow "whatever it takes."

If the city had allowed the developer to use the land as collateral to secure Canadian financing, problems would have likely been reduced. As it is, this "risk free" dabbling and incompetence will leave Vancouver with another multi-million dollar Olympic debt legacy. ■

## Vote STV for change.

A referendum on voting reform will be back on the ballot for the May 12, 2009 election. Your CTF stands for greater accountability among politicians and their parties, and fully supports the Single Transferable Vote proposal. Don't miss your chance to help make this happen! ■

# Cracks in Campbell's Carbon Tax

In the last edition of *The Taxpayer*, we revealed the first crack in Premier Campbell's carbon tax crusade. Municipalities would be reimbursed if they signed a Climate Action Charter committing to become carbon-neutral by 2012.

The second crack came this past October during a provincial Liberal Party convention when delegates voted 75 percent in favour of a resolution to "investigate" a "rural living tax credit." Delegates didn't go as far as calling the resolution a northern carbon tax exemption, although the clear insinuation was to offset the high costs of heating and driving in the north.

All of this contradicts the B.C.

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than people living in southern B.C. The site also says that drivers in the Lower Mainland—not the north—travel farther than any other part of the province.

The third crack appeared in January 2009 when the premier announced a major re-organization of the Climate Change Secretariat. Formed in May 2007 to spearhead the premier's carbon dioxide reduction offensive, the secretariat has now been absorbed by the Ministry of the Environment. Plus, Graham Whitmarsh, who led the secretariat, was moved to a completely unrelated job at the Ministry of Finance.

Little wonder the premier is backing away from his carbon tax on the eve of a provincial election. They noticed how poorly the Liberal's "Green Shift" was received in the recent federal election.

Your CTF will continue its efforts to eliminate the carbon tax and reign in dubious green spending that accompanies it. ■

Ministry of Finance. Its webpage outlining carbon tax myths and facts claims people living in northern B.C. don't use more natural gas to heat their homes

## B.C. jumps onto deficit bandwagon

Despite repeated commitments to keep a balanced budget, the B.C. government gave way. Early in the New Year, Premier Campbell and Finance Minister Colin Hansen held a "surprise" press conference to announce that B.C. would run deficit budgets for the next two years. The CTF was – "sur-

prise" — in attendance and reminded media of our past lessons with large, unchecked deficits.

Deficits don't stimulate the economy. In fact, they create a long-term drag on economic activity and growth. The money the government spends doesn't grow on trees. It comes out of one pocket and

gets put into another ... plus interest!

To run this red ink, Gordon Campbell revoked his government's commendable balanced budget law introduced in 2001. A law designed to keep politicians in line during difficult times (like today) has become another forgotten campaign commitment. ■