

## Ferries, transit challenge tax bills

### Victoria eyes new formula for calculating value of public property as Crown agencies file a flood of property tax appeals

BY ZOE MCKNIGHT, VANCOUVER SUN; WITH FILES FROM KELLY SINOSKI MARCH 18, 2013

Municipal officials are watching anxiously as a number of public agencies, including BC Ferries and TransLink, are appealing for significant cuts to property assessments in their communities.

If the agencies - some of which are asking assessments be reduced to as low as \$20 - succeed, dozens of B.C. municipalities face major hits to their property tax revenues.

"It's a bit distressing to cities because we have to make adjustments," said North Vancouver City Mayor Darrell Mus-satto. "We have to have a certain amount of monies raised." A drop in tax revenue over \$10,000 would "significantly affect" his city, he said.

TransLink pays \$291,509 in property tax for the Sea-Bus terminal there, more than half of which goes to the municipality.

The transportation authority is in the process of appealing the \$17.4-million value of the SeaBus terminal in North Vancouver as well as the \$14.4-million value of the SeaBus terminal at Vancouver's waterfront.

The assessment issue made headlines last fall when BC Ferries initially won a decision cutting the assessment on its Horseshoe Bay ferry terminal to \$20. The District of West Vancouver stood to lose \$250,000 in property taxes in 2013.

Minister of Community, Sport and Development Bill Bennett stepped in, and the dispute was solved through negotiation. The terminal's assessed value was restored to more than \$47 million. The original assessment had been about \$54 million.

Victoria is now working on a new law that would mean certain types of properties with unique purposes, such as ports and transit terminals, would be subject to a more standardized process.

"The goal of the legislation would be to set assessed values for these types of properties in regulation rather than using market value," said an email from Bennett's office.

"This would provide stability to the valuation and taxation of these properties. This type of approach has been used for other properties that are hard to value using the market approach, such as major port properties and major ski hills."

TransLink sought lower values for 29 properties valued at more than \$165 million in the Lower Mainland in 2012, winning more than \$32.5 million in savings, according to information from the assessment appeal board.

That includes a \$17.5-million decrease in the assessed value of a truck yard near Edmonds SkyTrain station in Burnaby.

Other savings include an \$890,000 reduction in the value of a park and ride on Sexsmith Road in Richmond, half a million dollars at an old substation near Kingsway in Vancouver, \$2.3 million at 2626 Highbury St. in Vancouver, and \$1.4 million at the substation property at 155 Union St. in Vancouver. The value of a property at 5725 Dunbar St. in Vancouver was reduced by more than \$920,000.

TransLink also appealed the 2012 assessment of a \$6.5-million property near Surrey Central SkyTrain station. That is now before the same appeal board. The 2013 assessment for that property rose to \$7.1 million.

The transit company was scheduled to appear last Wednesday at a hearing of the provincial Property Assessment Review Panel - the first stage in what can become a multi-step process - to make a case for the SeaBus terminals.

But representatives from TransLink did not appear, opting instead to sort out the issue at the second-stage review body, the Property Assessment Appeal Board.

TransLink spokesman Derek Zabel would not reveal what value TransLink was seeking for the two SeaBus terminals or the property near Surrey Central SkyTrain station, but said they were not seeking the controversial \$20 figure.

"TransLink is appealing assessments like any other property owner. We are seeking market assessment values based on our use and the comparable values of neighbouring properties. We are not going for a nominal fee," Zabel said.

The transit authority will consider appealing any assessment reflecting an increase of 10 per cent or more over a previous year, Zabel said.

TransLink's mayors' council on regional transportation, on which mayors from 22 municipalities sit, approves the organization's transportation and funding plans. But many mayors on the council were unaware of the assessment appeals.

Council chairman Richard Walton, mayor of North Vancouver District, said in an email while the issue may be raised in host communities, it would not come before Metro because the regional district has "limited functionality" when it comes to TransLink. Mayors have been lobbying for more control over TransLink, saying decisions are often made in secret by the appointed board.

Burnaby Mayor Derek Corrigan, who acknowledged he wasn't aware of the reduced assessment on the Edmonds' truck yard site last year, said it's surprising but not uncommon for Crown corporations to try to reduce property assessments, just as any business would.

Most municipal councils never even hear of assessment appeals unless the cities lose, while the mayors' council has little knowledge of TransLink's business, he said.

"I haven't heard any of the mayors raise this issue yet," Corrigan said. "It's going to cause a lot of consternation for municipalities that host these transit facilities ... it can have a big impact on cities' abilities to fund their local programs."

Corrigan noted TransLink's assessment appeals must be significant or the organization wouldn't bother seeking the reduction. But he also acknowledged TransLink could be facing unwarranted assessment hikes on those SeaBus and SkyTrain properties.

Last week, The Sun reported BC Assessment would take Nav Canada - the country's air traffic controller - to B.C. Supreme Court to settle appeals over the property values at several airports in the province, including Victoria, Castlegar, Penticton and Pitt Meadows, worth between \$270,000 and \$1.4 million.

Nav Canada has also filed appeals on 121 other parcels of airport land worth more than \$85.8 million across B.C., including Delta, Langley, Abbotsford, Surrey, Penticton, Bella Coola, Williams Lake, Whistler and even remote areas on Haida Gwaii.

The air traffic controller appealed to the panel to reduce the value of land at Vancouver International Airport as well, from \$9.9 million to just \$20 "as a matter of business prudence."

The City of Richmond stands to lose up to \$80,000 annually from property taxes paid by Nav Canada for parcels of land used by YVR.

zmcknight@vancouversun.com

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