

ITEM	2
MANAGER'S REPORT NO.	17
COUNCIL MEETING	87/03/09

RE: 1987 ASSESSMENT ROLL  
(Item 7, Report No. 63, 1986 October 20)

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER  
FROM: DIRECTOR FINANCE

1987 March 04  
File: A73-2

RE: 1987 ASSESSMENT ROLL  
(ITEM 7, REPORT NO. 63, 1986 OCTOBER 20)

RECOMMENDATION

1. THAT this report be received for information purposes.

SUMMARY

We have now received the 1987 authenticated roll and assessments eligible for 1987 for the Partners in Enterprise program. This report compares the 1987 authenticated roll to the 1986 authenticated roll, discusses the estimated new taxes generated by new assessment growth, shows the trend in assessments, discusses the 1987 appeals outstanding and their potential impact on the 1987 assessment roll and municipal taxes, and estimates the tax abatement for 1987 for the Partners in Enterprise program.

REPORT

1987 vs. 1986 AUTHENTICATED ROLLS

The 1987 authenticated roll has been received from the Area Assessor and it shows an increase of \$177,073,409 in assessments over the 1986 authenticated roll (see Attachment 1). The increase reflects \$152,286,600 in new growth and the balance, \$24,786,809, in market value and all other reclassification changes, appeals, etc., which are not separately identified on the roll.

TAXATION FROM NEW GROWTH

New construction is now estimated at \$152,286,600 compared to \$140,286,600 reported to Council on 1986 October 20. New growth is estimated to generate \$1,540,624 in new municipal taxes in 1987, as compared with the \$1,400,000 allowed for in the 1987 provisional operating budget. The 1987 calculations were made using 1986 tax rates as shown below:

Class	\$ New Assessments	% of Growth	\$ New Municipal Taxes in 1987	
			1986 Tax Rate	in 1987
Residential	67,632,000	44.4	6.2698	424,039
Utilities	1,020,800	0.7	21.9443	22,401
Industrial	(2,604,900)	(1.7)	15.6745	(41,395)
Business/Other Seasonal/	86,254,500	56.6	13.1666	1,135,678
Recreational	(15,800)	-	6.2698	(99)
Farm	-	-	6.2698	-
	152,286,600	100.0	10.1166*	1,540,624
	=====	=====	=====	=====

\* weighted average

MARKET VALUE AND OTHER CHANGES

As stated earlier, the second column in Attachment 1 indicates both market value and other changes such as classifications, appeals, etc., combined. The major changes which can be identified are as follows.

The utilities class change (non-new growth) reflects a \$14 million reduction in assessments in railway and pipeline land values resulting from a Provincial regulation changing the basis of valuation from market to a statutory value as set by regulation. These regulations also increased Telephone assessments by \$3,050,000 and Hydro by \$4,816,000. The net reduction in assessments due to this regulation is expected to be about \$6.13 million for a municipal tax reduction in 1987 of about \$135,000, based on 1986 tax rates.

The increase in residential assessments (non-new growth) reflects primarily an upward revaluation of strata titled properties.

The major decrease in the industrial assessments (non-new growth) is due to a number of factors. About \$6 million of the assessment decrease is due primarily to a change in classification of Chevron assessments from improvements which are taxable for general purposes, to machinery which is exempt from general purposes taxation.

ASSESSMENT ROLL TREND

Attachment 2 shows the assessment roll trend for 1983 through 1987. Compared to 1983, residential, utility and business classes show higher percentages in 1987. Although the industrial class has shown a slight percent assessment decline for the same period, this decline has an exaggerated downward effect on the taxes generated because of its relatively higher tax rate compared to residential and business classes.

1987 ASSESSMENT APPEALS

In addition to the changes reflected on the 1987 authenticated roll, there are currently assessment appeals outstanding that could reduce the 1987 assessment roll and taxes. The potential reduction for 1987 for municipal taxes and grants is about \$900,000.

We are presently meeting with B.C. Transit with respect to its appeal on the SkyTrain maintenance yard whereby they claim that "guideway" applies to all trackage in the yard and could result in a possible municipal purpose tax reduction of some \$330,000. Also, a significant portion of the potential tax reduction is due to appeals on strata residential properties.

All 1987 appeals will be thoroughly reviewed again prior to the finalization of the 1987 annual budget to determine what allowance, if any, should be made for 1987 appeals outstanding in the 1987 annual operating budget.

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B.C. PARTNERS IN ENTERPRISE PROGRAM

The 1987 authenticated roll contains \$5,900,300 of eligible assessments for the Partners in Enterprise program, as outlined in Attachment 3, compared to \$5,594,40 reported to Council on 1986 October 20. The agreement obligates Burnaby to abate at least 50% of municipal taxes on these eligible improvements, and if Council continued abatement at this rate, the effect would be about \$46,000 in 1987, using 1986 tax rates. The program will be reviewed at annual budget time.

Submitted for the information of Council.



Howard Karras  
DIRECTOR FINANCE

FWT:gw  
Attach.

cc: Director Planning & Building Inspection  
Secretary-Treasurer, School District No. 41  
Area Assessor



BURNABY GENERAL MUNICIPAL PURPOSES AUTHENTICATED ASSESSMENT ROLL AND % BY CLASS, 1983 THROUGH 1987

	1983	1984	1985	1986	1987
01 Residential	3,962,781,994	4,050,662,998	4,486,141,704	4,580,015,384	4,687,458,110
02 Utilities	59,865,912	68,869,572	80,908,820	81,008,605	78,871,202
05 Industrial	266,430,802	244,030,187	240,846,050	237,853,200	221,234,050
06 Business/ Other	1,212,997,060	1,272,593,530	1,340,029,840	1,374,977,790	1,464,901,800
08 Recreation/ Non-Profit	7,813,600	18,840,600	19,888,950	10,445,400	8,862,850
09 Farm	837,162	833,065	814,033	897,322	853,098
	=====	=====	=====	=====	=====
	100.00	100.00	100.00	100.00	100.00
	0.02	0.01	0.01	0.01	0.01
	0.14	0.33	0.32	0.17	0.14
	22.01	22.50	21.72	21.88	22.67
	4.83	4.31	3.91	3.78	3.42
	1.09	1.22	1.31	1.29	1.22
	71.91	71.63	72.73	72.87	72.54
	\$	\$	\$	\$	\$
	%	%	%	%	%
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1987 PARTNERS IN ENTERPRISE ASSESSMENT AND ABATEMENT
A. Eligible Assessments on 1987 Roll

<u>Name</u>	<u>Address of Eligible Property</u>	<u>1987 Eligible Assessments</u>		<u>1986 Eligible Assessments</u>	
		<u>Industrial Class 05</u>	<u>Industrial Class 05</u>	<u>Industrial Class 05</u>	<u>Industrial Class 05</u>
Trans Mountain Pipelines	7065 Bayview Court	\$ 484,450		\$ 453,800	
Discovery Parks	4225 Kincaid Street	5,110,000			
Stadco Forest Products	5450 Byrne Road	50,000			
		<u>5,644,450</u>			
F. & C. Renzullo ) Note (2)	3726 Parker Street	\$ 60,850			
A. & M. Gomes )	7370 Gilley Avenue	195,000			
		<u>255,850</u>			
<u>Total eligible assessments</u>		<u>\$5,900,300</u>		<u>\$ 453,800</u>	

B. 1987 Abatement Resulting Assuming 50% Relief

<u>Class</u>	<u>Partners In Enterprise Eligible Assessment</u>	<u>1986 Tax Rate (Note 1) And 50% Abatement</u>		<u>1987 Abatement</u>	
		<u>0.5 x</u>	<u>15.6745 =</u>	<u>\$44,394</u>	<u>1986 Abatement</u>
Industrial (05)	\$5,644,450	0.5 x	15.6745 =	\$44,394	\$ 3,635
Note(2) Business (06)	255,850	0.5 x	13.1666 =	<u>1,684</u>	
<u>Total abatement</u>				<u>\$46,078</u>	<u>\$ 3,635</u>

Notes (1) 1986 tax rates were used as an approximate effect on 1987 taxes.

(2) Certain business classifications such as manufacturing and storage of food, and film productions, are also eligible for the Partners in Enterprise program. This year's Class 06 reflects warehouse additions for storage of food.