

DISCUSSION

Mr. Zaklan advised Council of his concerns on the classification and assessment of both active and inactive farming properties within Surrey.

Based on City records, Mr. Zaklan owns five properties within Surrey. The following table documents the classification of each property by the BC Assessment Authority (BCAA) in each of 2007 and 2008:

Property Address	2008 BCAA Classification	2007 BCAA Classification
13234 - 80 Ave	Residential	Residential
13278 - 84 Ave	Residential/Farm	Residential/Farm
8377 - 132 St	Residential/Business	Residential/Farm
13183 - 84 Ave	Business	Business
12484 - 82 Ave	Business	Business

In 2007, the property located at 8377 - 132 Street was classified as Residential/Farm; however as part of the 2008 assessments, the BCAA has determined that this property now contains a business use and therefore should be classified in part as “business” for 2008, which results in a significantly higher assessment value than that applied to the property in 2007. The 2008 assessment classification for each of the other listed properties is the same as the assessment classification that same property in 2007.

Earlier this year, Mr. Zaklan appealed the property value assessment related to the properties located at 8377 - 132 Street and 13183 - 84 Avenue. As a result of the appeal, a minor reduction to the assessments for each of these properties was approved. The following is a summary of the current status of each of the properties:

13234 – 80th Ave: BCAA has classified this property as Residential for 2007 and 2008. The 2008 assessed value for this property is \$443,800. Mr. Zaklan has not appealed the assessment on this property. An aerial photograph of this property is attached as *Appendix A*.

13278 – 84th Ave: BCAA has classified this property as Residential/Farm in each of 2007 and 2008. The 2008 net assessed value for this property is \$61,390. Mr. Zaklan has not appealed the assessments on this property. An aerial photograph of this property is attached as *Appendix B*.

8377 – 132nd Street: This property is currently zoned Light Industrial (IL). In 2005, the owner applied for and received a business license that allowed a truck parking business to be operated at this location. For 2007 and prior, BCAA continued to classify this property as Residential/Farm. In 2008 BCAA changed the classification to Residential/Business, which resulted in an original assessment of \$2.152 million. Mr. Zaklan appealed this assessment and, as a result, it was reduced to \$2.145 million. In 2007, the City portion of property taxes for this property was approximately \$150, increasing to approximately \$11,600 in 2008. An aerial photograph of the property is attached as *Appendix C*.

13183 – 84th Ave: BCAA classified this property as Business in each of 2007 and 2008. In 2008, this property was originally assessed at \$538,000. Mr. Zaklan appealed the assessment of this property and, as a result, the assessment for the property was reduced to \$536,000. The property is currently zoned One-acre Residential (RA) and is a vacant lot. The aerial photograph indicates that this property is being used for storage purposes. An aerial photograph of this property is attached as *Appendix D*.

12484 – 82nd Ave: BCAA classified this property as Business in each of 2007 and 2008. The 2008 net assessed value for this property is \$276,200. It is currently zoned Light Industrial (IL). There are several units on this property that are leased out. An aerial photograph of this property is attached as *Appendix E*.

While Mr. Zaklan has expressed concerns about the classification and assessment of both active and inactive farmlands that he owns, based on a staff review, it appears that the properties owned by Mr. Zaklan have been correctly classified according to their current use.

Mr. Zaklan also expressed concern that the farming industry in British Columbia needs to be preserved and protected. He explained that Provincial legislation promotes the ‘splintering’ of farms by assessing each property within a farm operation according to its individual use rather than considering the entire farming operation as a unit. The Provincial government has recently announced the formation of Farm Status Review Panel for the purpose of ensuring the continued health and vibrancy of the farming industry in the Province. The following provides more detail about this Panel.

Farm Status Review Panel

On February 29th, 2008 the Ministry of Small Business and Revenue announced the appointment of members to a newly formed Farm Status Review Panel. The news release, the appointed members and the terms of reference for this Panel are attached as *Appendix F*. As stated in the news release, “The comprehensive review of farm assessment, in addition to our government’s recently announced Agriculture Plan, will ensure farming continues to be a healthy, vibrant sector.” Public consultation is expected to begin in the summer of 2008. Public input will be invited once a dedicated web site and a toll free telephone line have been launched. Public input can also be submitted via email at: farmassessmentreview@gov.bc.ca.

Based on the information that is available regarding the Panel, it’s mandate appears to be on point with Mr. Zaklan’s concerns. As such, it would appear to be most appropriate and effective for Mr. Zaklan to direct his concerns and recommendations to that Panel, who will be providing recommendations back to the provincial government with respect to farm classification and assessment to assist in ensuring the on-going vibrancy and health of the farming sector.

CONCLUSION

It is recommended that Council authorize the City Clerk to forward a copy of this report along with a copy of the related Council resolution to Mr. George Zaklan as information.

Vivienne Wilke, CGA
General Manager,
Finance & Technology