



*“That the Board direct the Port Cities Committee to work on behalf of port cities to engage in a dispute resolution process with Port Metro Vancouver toward Payments in Lieu of Taxes that match the full amounts calculated using property values provided by BC Assessment.”*

A working group involving representatives from the Metro Vancouver port cities was formed and met with representatives of Port Metro Vancouver on a number of occasions for the purpose of resolving PILT payment issues. Further meetings have been deferred at the request of Port Metro Vancouver while they work with BC Assessment to review appraisal values for Port properties with BC Assessment. The Port Cities Committee was invited to send an observer to this review process and has appointed a Metro Vancouver appraiser to observe the review. The review is expected to be completed this fall. While this review is expected to lead to better alignment between the Port and local governments regarding property values for the purpose of future PILT payments, it is not expected to address any past payment shortfalls.

At its meeting on July 28, 2010 the Port Cities Committee recommended that each Metro Vancouver port city send a formal notice to Port Metro Vancouver regarding the shortfall in PILT payments they have received from PMV for each year from 2000 to 2009 and reiterate its application for full payment under the PILT Act for prior years' shortfalls as well full payment for 2010 and future years.

## CONCLUSION

There is a substantial difference between the amount of PILT that Surrey has requested and the payments that have been received for the Port Metro Vancouver properties in Surrey. To protect Surrey's interests in relation to collecting outstanding PILT payments, it is recommended that the Mayor on behalf of Council forward a letter to Port Metro Vancouver giving formal notice that the City of Surrey is expecting full payment under the PILT Act for the 2010 taxation year and all future years as well as full payment for PILT shortfalls from prior years related to taxable Port Metro Vancouver property in the City of Surrey. The letter should include a copy of this report and the related Council resolution and should be copied to all of the communities represented on the Metro Vancouver Port Cities Committee.

Dan Bottrill  
Deputy City Manager

Vivienne Wilke  
General Manager  
Finance and Technology

Craig MacFarlane  
City Solicitor

DB/mc

c:\users\seh\appdata\local\microsoft\windows\temporary internet files\content.outlook\8qny454i\payment in lieu taxes - sept 2010.doc  
SEH 10/29/10 1:30 PM

Appendix 1: Amount of annual shortfall of PILT payments to City of Surrey

**Metro Vancouver Port Cities - Joint Staff Working Group on PILT Payment Issues**

**Difference between PILTs Requested by Municipalities and PILT Payments Received from PMV and predecessors - 2000 to 2009 Tax years**

Municipality (Note 1)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14 Surrey	\$485,958	\$294,530	\$341,504	\$278,575	\$272,907	\$283,070	\$199,374	\$189,977	\$580,984	\$411,507	\$3,338,385
15											
16											
	\$485,958	\$294,530	\$341,504	\$278,575	\$272,907	\$283,070	\$199,374	\$189,977	\$580,984	\$411,507	<b>\$3,338,385</b>

Note 1: All figures include OTA (Other Taxing Authority) amounts