

Central Alberta

Regional Assessment Review Board

CARB 0263-749/2016

Complaint ID 749

Roll No. 628311019

COMPOSITE ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: November 15, 2016

PRESIDING OFFICER: L. Bonnett

BOARD MEMBER: T. Hansen

BOARD MEMBER: B. Schnell

BETWEEN:

MANCAL PROPERTIES INC.

Complainant

-and-

RED DEER COUNTY

Respondent

This decision pertains to a property assessment complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor of Red Deer County as follows:

ROLL NUMBER: 628311019

MUNICIPAL ADDRESS: 6 Burnt Lake Crescent

ASSESSMENT AMOUNT: \$7,031,950

The complaint was heard by the Composite Assessment Review Board on the 15th day of November, 2016 at Red Deer County, in the province of Alberta.

Appeared on behalf of the Complainant:

- Randall Worthington – Altus Group

Appeared on behalf of the Respondent:

- Brigitte Boomer – Assessment Services Manager
- Karen Burnand – Assessment Services Assessor
- Brad Koopmans – Assessment Services Assessor

DECISION: The assessed value of the subject property is confirmed.

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 456 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”], and Red Deer County Bylaw No. 2011/29, *Regional Assessment Review Board Bylaw*.

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is located at 6 Burnt Lake Crescent within Red Deer County. The property is 4.99 acres in size and is zoned Business Service Industrial. This is a fully serviced and developed site.
- [3] The 2016 assessment for the subject property is \$7,031,950.
- [4] Altus Group submitted a complaint to the Regional Assessment Review Board as agent for Mancal Properties Inc. on July 12, 2016, and checked box #3 on the complaint form, indicating that the reason for the complaint is the assessment amount. Notice of Hearing was sent to both Parties on August 12, 2016.

PRELIMINARY MATTERS

- [5] The Chair confirmed that no Board member raised any conflicts of interest with regard to matters or Parties before them.
- [6] Neither Party raised any objection to the Board panel hearing the complaint.
- [7] Both Parties were sworn in by the Board Clerk.
- [8] The Complainant and Respondent confirmed that the complaint information before the Board relates to matter #3, an assessment amount.
- [9] The Board confirmed the submissions of the Parties and entered the following Exhibits into the record:
- A.1 Hearing Materials with Agenda, Complaint Form, Agent Authorization Form, and Notice of Hearing – *Agenda plus 7 pages*
 - C.1 Complainant Evidence Submission – *33 pages*
 - C.2 Complainant Legislation and Legal Submission – *54 pages*
 - R.1 Respondent Submission – *9 pages with the following tabs attached: Tab 1 (4 pages), Tab 2 (5 pages), Tab 3 (2 pages), Tab 4 (38 pages), Tab 5 (5 pages), Tab 6 (3 pages), Tab 7 (9 pages), Tab 8 (38 pages)*

ISSUES

[10] The Board considered the Parties' positions and determined the following question is to be addressed within this decision:

- a) Is the assessed value of the subject property's land assessed in a fair and equitable manner when compared to similar property?

POSITION OF THE PARTIES**Position of the Complainant**

[11] The Complainant confirmed that it is only the land portion of the assessment that is being appealed. The land is currently assessed at \$360,000/acre, for a total land valuation of \$1,796,400.

[12] The Complainant stated that there is a parcel of land just north of the subject property (Plan 0625523 Lot 1 Block 15) consisting of 3.03 acres of raw land, assessed at \$330,000/acre.

[13] The Complainant submitted that site improvements should not be included in the land value, but rather in the buildings so that the land is assessed the same as raw land. Any other means of assessment is inequitable. The Complainant further stated that it is industry practice not to include the site improvements in the land component of the assessment.

[14] In closing, the Complainant requested that the total assessment for the subject property be reduced from \$7,031,950 to \$6,882,250.

Position of the Respondent

[15] The Respondent agreed that the comparable property presented by the Complainant is similar to the subject in many respects, including its geographic location. However, the subject property is completely developed (fully serviced, with site improvements such as paving and lighting) whereas the comparable is not.

[16] The Respondent provided seven comparables located in close proximity to the subject, as follows:

Assessment Comparable	Legal Description (Plan, Block, Lot)	Vacant/Improved	2015 Land Assessment
Subject	Plan 0625523 Block 1 Lot 11	Building & fence	\$360,000
1	Plan 0822011 Block 1 Lot 17	Building & fence	\$360,000
2	Plan 0625523 Block 1 Lot 14	Fenced only – no well or sanitary system	\$330,000
3	Plan 0625523 Block 1 Lot 15	Fenced only – no well or sanitary system	\$330,000

4	Plan 1223656 Block 1 Lot 19	Building & fence	\$360,000
5	Plan 0625523 Block 1 Lot 1	Building & fence	\$360,000
6	Plan 0122241 Block 3 Lot 4	Building & fence	\$360,000
7	Plan 0122241 Block 4 Lot 1	Building & fence	\$360,000

[17] The Respondent explained that the comparables with no well or sanitary systems were assessed at \$330,000/acre, and the comparables with a building and fence were assessed at \$360,000/acre.

[18] The Respondent submitted that site improvements have been considered within the subject property's land assessment, and also for the comparables which are serviced. The assessments for properties which are not serviced or developed do not include site improvements in the value of the land, as there are none to consider.

[19] The Respondent stated that the same methodology was used to calculate the land portion of each of the tax assessments as was used to calculate raw land.

[20] In closing, the Respondent requests that the total property assessment be confirmed at \$7,031,950.

BOARD FINDINGS and DECISION

[21] The Board finds that the Respondent used the same methodology to assess raw land as was used to assess land with site improvements.

[22] The Board finds no convincing evidence was provided to prove that the site improvements were considered twice in the assessment, by being included in both the land and the building assessment.

[23] The Board finds that the subject property is fully developed and has site improvements, including paving and lighting. Further, the Board finds that the site improvements were calculated as part of land value in the tax assessment.

[24] The Board acknowledges that site improvements (paving, compaction, and lighting) must be considered somewhere in the tax assessment, and as long as that methodology is being applied consistently and not considered twice, then the assessed values are not inequitable.

[25] The Board finds that it is appropriate to include site improvements as part of the land value for assessment purposes and that the Respondent is, and has been, consistent in this approach.

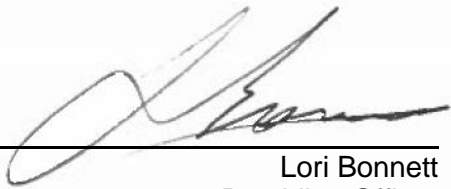
[26] The Respondent argued that the comparables they provided demonstrate that the market value of the subject property is correctly assessed.

[27] The Board therefore confirms the total assessment of \$7,031,950.

DECISION SUMMARY

[28] The Board finds that the Respondent values are confirmed.

[29] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 15th day of December, 2016 and signed by the Presiding Officer on behalf of all the panel members who agree that the content of this document adequately reflects the hearing, deliberations and decision of the Board.



Lori Bonnett
Presiding Officer

This decision can be appealed to the Court of Queen's Bench on a question of law or jurisdiction. If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for leave to appeal to be filed and served within 30 days of being notified of the decision. Additional information may also be found at www.albertacourts.ab.ca.

APPENDIX

Documents presented at the Hearing and considered by the Board.

<u>NO.</u>	<u>ITEM</u>
A.1	Hearing Materials with Agenda, Complaint Form, Agent Authorization Form, and Notice of Hearing – <i>Agenda plus 7 pages</i>
C.1	Complainant Evidence Submission – <i>33 pages</i>
C.2	Complainant Legislation and Legal Submission – <i>54 pages</i>
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