

# Central Alberta

Regional Assessment Review Board

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**CARB 0310 1272 2019**

Complaint ID 1272

Roll No. 00866900

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COMPOSITE ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: November 14, 2019

PRESIDING OFFICER: J. DAWSON

BOARD MEMBER: A. GAMBLE

BOARD MEMBER: L. MCLEVIN

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BETWEEN:

SYLVAN LAKE HARBOUR LTD.

Complainant

-and-

THE TOWN OF SYLVAN LAKE

Respondent

This decision pertains to a complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by the Assessor for The Town of Sylvan Lake as follows:

ROLL NUMBER:	00866900
MUNICIPAL ADDRESS:	5220 Lakeshore Drive, Sylvan Lake, AB
ASSESSMENT AMOUNT:	\$ 905,640

The complaint was heard by the Composite Assessment Review Board on the 14th day of November 2019, in Council Chambers of the Sylvan Lake municipal building within the town of Sylvan Lake, in the province of Alberta.

Appeared on behalf of the Complainant:

A. IZARD                      Agent, Altus Group

Appeared on behalf of the Respondent:

K. BOHKLEN                  Property Assessor, Wild Rose Assessment Services Inc.

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**DECISION:**

1. The complaint is accepted on the subject property. The assessment value is changed to \$704,004.

**JURISDICTION:**

2. The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 455 of the Municipal Government Act, RSA 2000, c M-26 [“MGA”], and The City of Red Deer bylaw.

**PROPERTY DESCRIPTION AND BACKGROUND:**

3. The subject property is a non-residential property located within the Town of Sylvan Lake. The site is a 17,006 square foot (0.39 acres) parcel located at 5220 Lakeshore Drive with access to Sylvan Lake and fronting Lakeshore Drive with a land use designation of Lakeshore Direct Control District (LDC). On site is a 7,200 square foot multi-tenant office and retail structure with views of Sylvan Lake.
4. The assessment was calculated using the replacement cost approach:

Component	Value	Total
Land	17,006 square feet at \$34.16	\$581,040
Building	Depreciated Replacement Cost	\$313,750
Paving	Depreciated Replacement Cost	\$10,850
	Total	\$905,640

**PRELIMINARY MATTERS:**

5. The Board Chair confirmed that no Board Member raised any conflicts of interest regarding the matters before them.
6. Neither party raised any objection to the panel hearing the complaint.
7. No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.
8. The Board confirmed the submissions of the parties and entered the Exhibits into the record. See Appendix for details.

**ISSUES:**

9. The Board considered the parties' positions and determined the following question is to be addressed within this decision:

**What is the correct value of land portion of the assessment?**

**POSITION OF THE PARTIES:**

**Position of the Complainant**

10. The Complainant requested a value: \$562,684 which accepted the improved values as calculated by the Respondent and adjusted the land value to \$14.00 per square foot.
11. The Complainant presented four equity comparable properties and no sales comparable properties:
- I. 5218 Lakeshore Drive with the same LDC land use designation of similar size at 16,253 square feet and an assessed value of \$208,810 or \$12.85 per square foot. This parcel is adjacent to the subject property to the east with no buildings and is paved with similar access.
  - II. 5230 Lakeshore Drive with the same LDC land use designation of slightly larger size at 22,711 square feet and an assessed value of \$587,830 or \$25.88 per square foot. This parcel is adjacent to the subject property to the west with no buildings and is paved with similar access. This parcel has the only direct water access for boaters on the southside of the lake.
  - III. 5324 Lakeshore Drive with the same LDC land use designation of much larger size at 50,822 square feet and an assessed value of \$755,260 or \$14.86 per square foot. This parcel is near the subject property to the west with development and buildings for a recreational use with similar access.
  - IV. 206 Marina Bay Court with the same LDC land use designation of double the size at 36,161 square feet and an assessed value of \$390,150 or \$10.79 per square foot. This parcel is near the subject property to the west with no buildings and is developed with tennis courts with poor access through a residential community. This parcel is part of a condominium project and used for storage of recreational vehicles and for recreation.
12. The Complainant calculated a mean of \$16.10, a median of \$13.85 and a weighted mean of \$15.42 per square foot in support of its \$14.00 per square foot request.
13. The Complainant argued that its property suffered from a lack of access and utility at the back of building (restricted) and a requirement that a portion of parcel is utilized by neighbouring properties to access Lakeshore Drive.
14. The Complainant explained that case law has found that it is entitled to the lower of actual value of equitable value in support of its request.
15. In rebuttal, the Complainant presented that the Respondent provided the same evidence in this hearing as it did for a different hearing though the values are very different.

16. The Complainant argued the evidence of the Respondent is not similar to the subject property and, regardless of the perception that lake shore property is worth more than other similarly designated land, there is no evidence to support the assessed value.
17. The Complainant explained that any decrease in assessment over the last few years was due to the depreciation value of the building and parking and not an adjustment in market value of the land.

### **Position of the Respondent**

18. The Respondent explained the history of the site indicating that the subject parcel was once part of a 4.9 acre lakefront property that sold in 2010 for \$3,350,000 and was subsequently subdivided into numerous parcels in 2013 and 2014. The subject parcel is now 0.39 acres and contains improvement with a multi-tenant office and retail building of 7,200 square feet and developed parking.
19. The Respondent argued that the comparables utilized by the Complainant are different from the office and retail building developed on site and have issues from shape, size, use and access that affect their values.
  - I. 5218 Lakeshore Drive is a parking lot for a marina development; no development can take place therefore the property has been heavily adjusted with negative influences.
  - II. 5230 Lakeshore Drive is a paved boat launch site that has development restrictions and has been heavily adjusted with negative influences.
  - III. 5324 Lakeshore Drive contains a go cart track and mini golf. It is triangular in shape and had limited lake views. Its size results in a lower value per square foot.
  - IV. 206 Marina Bay Court is an extremely irregular shape and contains a tennis court and boat storage. Access is through a subdivision to the west and is comprised of a bare land condominium.
20. The Respondent indicated that the subject property is developed and has a slight irregular shape. Similar properties assessed in the same manner include:
  - I. 5217 Lakeshore Drive at 0.30 acres is similar in size, across the street of townhouse development on Lakeshore Drive and has a similar land use designation of Waterfront Direct Control District (WDC) with a motel developed on site. It is irregular in and a poor location when compared to the subject. It has an assessed value of \$398,780 or \$30.67 per square foot.
  - II. 5000 Lakeshore Drive at 0.14 acres is smaller in size, on Lakeshore Drive one block east and has the same land use designation of LDC. It has direct lakefront view and access and is considered superior to the subject property. It has an assessed value of \$443,770 or \$75.06 per square foot.
  - III. 5227 Lakeshore Drive at 0.72 acres is nearly double in size, across the street from the subject property on Lakeshore Drive and has a similar land use designation of WDC. It is developed with a strip mall and is a good comparable to the subject property. It has an assessed value of \$809,690 or \$25.70 per square foot.

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- IV. 5312 Lakeshore Drive at 0.35 acres is similar in size, on Lakeshore Drive adjacent to the subject property to the west and has the same land use designation of LDC. It is improved with a motel and is slightly irregular in shape. It has an assessed value of \$577,270 or \$37.77 per square foot.
21. The Respondent calculated a mean of \$42.30 and a median of \$34.22 to support of its \$34.17 per square foot assessment.
22. The Respondent provided five sales of non-residential land to support its assessment:
- I. 4620 and 4622 43 Street sold as two separate parcels of 0.08 acres (3,422 square feet) at a value of \$29.22 per square foot. The sales occurred in August 2016 between one vendor and one purchaser. The lots are part of a previous fire hall and have redeveloped into a retail store. These sales are in the centre of town and considered an inferior location.
  - II. 10 Pelican Place sold as a single parcel of 0.24 acres (10,548 square feet) at a value of \$20.38 per square foot. The sale occurred in October 2016. The lot was purchased to develop a small-scale retail building. This sale on the south end of town is considered an inferior location.
  - III. 5038 49 Street sold as two separate parcels of 0.16 and 0.18 acres (7,170 and 7,880 square feet) at a value of \$29.28 and \$26.65 per square foot. The sales were not used to calculate the assessment and are considered *post facto* and are provided for comparison purposes. The sales occurred in October 2018 between one vendor and one purchaser.
23. The Respondent recorded the sales as five separate transactions and calculated a mean of \$26.65 and a median of \$29.22.
24. The Respondent argued that these sales support of its \$34.17 per square foot assessment because the subject is superior to the sales.
25. The Respondent summarized by arguing that its comparable properties show equitable treatment and sales at inferior locations indicate the subject property is assessed correctly at \$581,040.
26. The Respondent explained that the subject property was listed for \$1,200,000 in 2016. Despite the listing, the Respondent recognized the drop in value over the past number of years by changing assessments downward:
- I. 2014 \$998,860
  - II. 2015 \$958,320
  - III. 2016 \$930,050
  - IV. 2017 \$907,580 and
  - V. 2018 \$905,640
27. The Respondent request that the assessment be confirmed at \$905,640.

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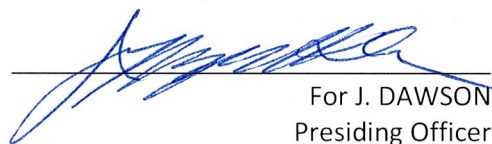
**BOARD FINDINGS and DECISION****REASONS**

28. The Board considered all the evidence presented and find the sales presented as not comparable to the subject property for location, access to Lakeshore Drive, and land use designation.
29. The Board considered the all the equity comparable properties and makes the following findings:
- I. 5217 Lakeshore Drive at 0.30 acres is similar in size and has a similar land use designation of WDC. It has an assessed value of \$398,780 or \$30.67 per square foot. This property was used by the Board as a comparable property because of its similarity in size.
  - II. 5000 Lakeshore Drive at 0.14 acres is smaller in size, on Lakeshore Drive one block east and has the same land use designation of LDC. It has direct lakefront view and access and is considered superior to the subject property. It has an assessed value of \$443,770 or \$75.06 per square foot. This property was not used by the Board as a comparable property because of its superior location, views and much smaller size. It also appears to be an outlier.
  - III. 5227 Lakeshore Drive at 0.72 acres is nearly double in size, across the street from the subject property on Lakeshore Drive and has a similar land use designation of WDC. It has an assessed value of \$809,690 or \$25.70 per square foot. This property was used by the Board as a comparable property because of its similarity in location and land use designation.
  - IV. 5312 Lakeshore Drive at 0.35 acres is similar in size, on Lakeshore Drive adjacent to the subject property to the west and has the same land use designation of LDC. It has an assessed value of \$577,270 or \$37.77 per square foot. This property was used by the Board as a comparable property because of its similarity in size and location.
  - V. 5218 Lakeshore Drive with the same LDC land use designation of similar size at 16,253 square feet and an assessed value of \$208,810 or \$12.85 per square foot. This property was used by the Board as a comparable property because of its similarity in size and location.
  - VI. 5230 Lakeshore Drive with the same LDC land use designation of slightly larger size at 22,711 square feet and an assessed value of \$587,830 or \$25.88 per square foot. This property was used by the Board as a comparable property because of its similarity in size and location.
  - VII. 5324 Lakeshore Drive with the same LDC land use designation of much larger size at 50,822 square feet and an assessed value of \$755,260 or \$14.86 per square foot. This property was used by the Board as a comparable property because of its similarity in use and location.
  - VIII. 206 Marina Bay Court with the same LDC land use designation of double the size at 36,161 square feet and an assessed value of \$390,150 or \$10.79 per square foot. This property was not used by the Board as a comparable property because of its inferior access, views and shape. It is also part of a condominium project.

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30. The Board finds the weighted mean as the best indicator of value because it reflects adjustment for size. The calculated weighted mean of \$22.31 when multiplied by the subject area of 17,006 square feet finds a value for the land of \$379,404.
31. It is so ordered.

**DECISION SUMMARY**

32. The subject property improvement values of \$324,600 are unchanged resulting in an overall change of assessment to \$704,004.
33. Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 13 day of December, 2019 and signed by the Presiding Officer on behalf of the panel members whom agree that the content of this document adequately reflects the hearing, deliberations and decision of the Board.

  
For J. DAWSON  
Presiding Officer

*If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for judicial review to be filed and served not more than 60 days after the date of the decision. Additional information may also be found at [www.albertacourts.ab.ca](http://www.albertacourts.ab.ca).*

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**APPENDIX:**

Documents presented at the Hearing and considered by the Board.

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<u>NO.</u>	<u>ITEM</u>
1. A.1	– Hearing Materials provided by Clerk (13 pages)
2. C.1	– Complainant Disclosure (163 pages)
3. R.1	– Respondent Disclosure (19 pages)
4. C.2	– Complainant Rebuttal Disclosure (21 pages)