



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Composite Assessment Review Boards

REGIONAL MUNICIPALITY OF WOOD BUFFALO BOARD ORDER CARB 2015-013

IN THE MATTER OF A COMPLAINT filed with the Regional Municipality of Wood Buffalo Composite Assessment Review Board (CARB) pursuant to Part 11 of the *Municipal Government Act* being chapter M-26 of the revised statutes of Alberta 2000.

BETWEEN:

Waterfront District First Ltd. as represented by MNP LLP – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

BEFORE:

Members:

L. Wood, Presiding Officer

I. Dewan, Member

S. Odemuyiwa, Member

Staff:

S. Soutter, Clerk

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

[1] A hearing was convened on Saturday, October 17, 2015, in the Council Chambers of the Regional Municipality of Wood Buffalo, located at 9909 Franklin Avenue, Fort McMurray, Province of Alberta to consider a complaint about the assessment of the following property:

Assessment Roll Number	71014170
Civic Address	10201 Marshall Street, Fort McMurray AB
Owner	Waterfront District First Ltd.
Assessed Value	\$3,360,000
File No.	15-035

[2] The subject property is a 1.16 acre site (or 50,530 square feet) improved with four industrial buildings located in the Lower Townsite. The land is zoned Prairie East of Queen Mixed Use (PRA2). The subject property was assessed based on the Sales Comparison Approach (land only) at a base land rate of \$70.00 per square foot (psf) less an exposure adjustment of - 5%.

PROCEDURAL MATTERS

The CARB derives its authority to make decision under Part 11 of the *Municipal Government Act*, R.S.A. 2000, c. M-26.

[3] The parties confirmed that they had no objections to the composition of the Board.

ISSUES

[4] The assessed rate \$66.50 psf is too high and is not supported by the sale of the subject property and is inequitable in comparison to similar properties.

COMPLAINANT'S REQUESTED VALUE: \$1,100,000, alternatively \$3,082,000

MERIT MATTERS

Position of the Complainant

[5] The Complainant submitted that the assessed rate of \$66.50 psf applied to the subject property is too high and is not supported by market evidence. The Complainant submitted that the sale of the subject property in 2014 provides the best indication of market value. He indicated that the sale was an arm's length transaction between Shell Canada Ltd. and Waterfront District First Ltd. that occurred on December 12, 2014 for \$1,100,000 (Exhibit C1 pages 32- 37). While he acknowledged the sale occurred several months after the valuation date of July 1, 2014, he argued that it provides the best indication of market value. The Complainant requested the assessment for the subject property be revised to \$1,100,000 or \$21.78 psf.

[6] Alternatively, the Complainant submitted that the subject property's assessment should be reduced from \$66.50 psf to \$61.00 psf based on equity. The Complainant provided five equity comparables of land parcels that range in size from 37,458 square feet to 186,216 square feet. The assessed rates indicated a range between \$51.96 psf to \$66.50

psf; a median rate of \$60.88 psf and an average rate of \$59.57 psf. The median and average land sizes are 72,118 square feet and 89,706 square feet, respectively. The Complainant noted that two of his comparables had received negative influences of -5% similar to the subject property, and comparable #4 would require a similar adjustment. He submitted that three of his comparables are in the same location as the subject property; the other two are located in Gregoire and Timberlea. He also indicated that two of the comparables have similar PRA2 zoning as the subject property, while the remaining three comparables have zoning of C4, R5 and SCL1; however, he argued the differences are minimal. The Complainant requested that the assessment be revised to \$3,082,000 or \$60.88 psf.

Position of the Respondent

[7] The Respondent submitted that the subject property was assessed based on the Sales Comparison Approach and the market evidence supports the current assessment. The Respondent indicated that the sale of the subject property was not used in their analysis because it was a post facto sale as it occurred well after the valuation date of July 1, 2014. The Respondent indicated that it could be used in the preparation of next year's assessments. The Respondent could not ascertain whether this was an arm's length transaction since it sold for one third of the value of established land rates or whether it was part of a portfolio sale involving a number of properties. The Respondent has not yet received a response from the owner to confirm these details about the sale, and for the current appeal year, has deemed it a non-arm's length transaction.

[8] The Respondent submitted one sale of a property located at 10117 King Street that was zoned PRA2 similar to the subject property (Exhibit R1 page 23). It sold on February 2, 2012 for \$2,190,732. The Respondent time adjusted that sale to \$2,365,000 as of July 1, 2014. Using the current assessed value for the land of \$947,056 and dividing that price into the 12,886 square feet of lot, this equates to a rate of \$73.49 psf. The Respondent argued that this market evidence supports the current assessed rate applied to the subject property.

[9] The Respondent submitted 5 equity comparables of properties in support of the current assessment (Exhibit R1 page 23). The properties range in size from 9,170 square feet to 56,436 square feet. The assessments range between \$66.45 psf - \$70.00 psf with a median rate of \$66.50 psf and an average rate of \$67.19 psf. The subject property falls within this range. The Respondent noted the comparables have the same PRA2 zoning and are located in the same neighbourhood as the subject property.

[10] The Respondent argued that the Complainant's land parcels are larger and the zoning for three of the properties is not similar to the subject property. In addition, the Complainant made a mathematical error in calculating the median and average rates based on his equity comparables, and when corrected, indicate a median rate of \$65.85 psf and an average rate of \$62.33 psf. If the median rate of \$65.85 psf was applied to the subject property, this would result in a 0.9% adjustment to the subject property's assessment. The Respondent submitted that the assessment for the subject property should be confirmed at \$3,360,000.

FINDINGS

[11] The Board finds that there was insufficient evidence presented to revise the current assessment.

DECISION

[12] It is the Decision of the Composite Assessment Review Board to confirm the assessment for the subject property at \$3,360,000.

REASON FOR DECISION

[13] The Board placed little weight on the Complainant's sale of the subject property that had transacted in December 2014 because it was a post facto sale. The Board was convinced that the Respondent's sale comparable of the 12,886 square foot parcel with similar zoning and location as the subject property provides the best indication of value. The Board notes that an adjustment may be warranted to address the difference in size between the comparable property and the subject property; however, no evidence was submitted by the Complainant to demonstrate that the variance between the sale of the comparable of \$73.49 psf and the assessed rate of the subject property of \$66.50 psf is insufficient.

[14] In regards to the equity analysis, it was clear to the Board that the Complainant had miscalculated the median rate when presenting his equity analysis, and when corrected, the median rate of \$65.85 psf supports the current assessment of \$66.50 psf.

[15] In coming to its conclusion, the Board has reviewed carefully the provisions of the *Municipal Government Act* ("MGA"), the *Matters Relating to Assessment Complaints Regulation* ("MRAC") and the *Matters Relating to Assessment and Taxation Regulation* ("MRAT").

[16] It is so ordered.

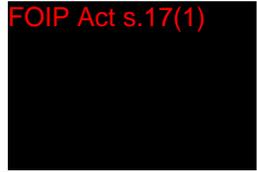
DISSENTING OPINION

[17] There was no dissenting opinion.

[18] The decision of the Composite Assessment Review Boards is final and binding on all parties, subject only to appeal to the Court of Queen's Bench on a question of law or jurisdiction with respect to the decision in accordance to section 470 of the *Municipal Government Act*, R.S.A 2000, c. M-26.

Dated at the Regional Municipality of Wood Buffalo in the Province of Alberta, this
17th day of November 2015.

FOIP Act s.17(1)



For: L. Wood, Presiding Officer

APPENDIX A

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

Exhibit Number	Description
C1	Complainant's Brief
R1	Respondent's Brief
R2	Respondent's Appendix

APPENDIX B

REPRESENTATIONS

Person Appearing	Capacity
W. Melham	Agent, MNP LLP
S. Bosgra	Assessor, Regional Municipality of Wood Buffalo
M. Moore	Assessor, Regional Municipality of Wood Buffalo
