

**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:**

657406 Alberta Ltd. – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

**BEFORE:**

Members:

Jacqueline Biollo, Presiding Officer

Alex McKenzie, Member

Staff:

Sonia Soutter, Clerk

**BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

[1] A hearing was convened on September 15, 2018 in the Regional Municipality of Wood Buffalo in the Province of Alberta to consider a complaint about the assessment of the following property:

<b>Assessment Roll Number</b>	50562740
<b>Civic Address</b>	500 Memorial Drive, Fort McMurray
<b>Owner</b>	657406 Alberta Ltd.
<b>File Number</b>	ARB 18-004

**PROCEDURAL MATTERS**

[2] 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 Board confirmed it had no bias in relation to the matters.

**ISSUES**

<b>Issue identified on the complaint form</b>	<b>Assessment Amount</b>	<b>Requested Value</b>
An Assessment Amount	\$2,717,580	\$1,800,000

[4] Is the assessment market value of the subject property excessive when compared to the assessment of similar properties?

[5] Are the adjustments to the assessment of the subject property fair and equitable in consideration of the property shape, access, lack of servicing and isolation?

**MERIT MATTERS**

*Position of the Complainant*

[6] The Complainant introduced the property as vacant 1.8657 acres of land, assessed on a direct sales comparison approach to value.

[7] The Complainant stated the objective was to argue that the 2018 assessment does not reflect the market value of the property; that they find the purpose and use of a wide range of compatible commercial businesses in the Urban Service Area to be flawed; that site provisions are a consideration for adjustments; and that restrictions prohibit what can be built on the property.

[8] The Complainant submitted three market comparables located in close proximity to the subject, however superior to the subject in land size and assessed value. The Complainant's comparables were:

- 460 MacAlpine Cres. Assessed value: \$7,832,170
  - 530 Mackenzie Boulevard (C4) Assessed value: \$25,882,110
  - 560 Memorial Drive Assessed value: \$4,808,000
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- 500 Memorial Drive (BI) Assessed value: \$2,717,580 subject

[9] The Complainant introduced third party documents to complement their argument regarding consideration or accommodations that should be made because of the 2016 Fort McMurray wildfires.

[10] The Complainant submitted that as corrected, the requested assessment of the subject property is \$1,800,000 (indicative of a <-25%> adjustment for shape, access, servicing and isolation). Further, the Complainant submitted that a correct land value of \$2,422,986 (\$1,298,701/acre).

***Position of the Respondent***

[11] The Respondent introduced the property as a lot complete with service road access, pavement, curbs, gutters, light standards and is at a level-raised grade with adequate drainage. The site has electrical servicing however no water, gas or sewer; a <-10%> adjustment to the land value has been made for this.

[12] Further, the lot is triangular which would require a smaller building to be built on the lot compared to a rectangular or square shaped lot due to set back requirements. As such a <-5%> adjustment has been made to account for this.

[13] The Respondent outlined the methodology used for valuing individual properties and reiterated that legislation requires the use of mass appraisal in establishing assessments. The cost approach to value was used to assess the subject property.

[14] The Respondent introduced the land valuation model used for business industrial cost approach outlining the adjustments made.

- <+10%> for lot location (exposure)
- <-10%> for services
- <-5%> for shape

[15] The Respondent introduced three sales comparables within the Urban Service Area; although one is over 14 km out of the Urban Service Area, two of which are much closer to the valuation date than the complainants. All three comparables are zoned Business Industrial Land (BI).

- 241 Royer Way, Rickards Landing sale price (2016)      \$1,000,420/acre
- 262 MacKay Crescent      sale price (2017)      \$1,272,727/acre
- 260 MacKay Crescent      sale price (2017)      \$1,8333,333/acre

[16] The Respondent requested that the subject assessment be confirmed at \$2,717,580.

**REBUTTAL**

[17] The Complainant stated that the three market comparables provided by the Respondent are dissimilar to the subject and support a reduction of the assessment. The Respondent's market comparables:

- a. Indicate an average sale price of \$1,368,827/acre
- b. Indicate a weighted average sales price of \$1,239,735/acre
- c. The subject of the appeal is assessed after all site adjustments at a value of \$1,456,366/acre

[18] The Complainant rebutted the assessment rate applied by the assessor in the subject area (stated as \$1,533,022/acre) stating the assessment comparables support a reduction of the assessment. In particular:

- a. A superior parcel, 560 Memorial Drive, is assessed on an income approach to value at a rate of \$1,075,615/acre inclusive of 25,580 sf of improvements
- b. The sales comparables provided by the assessor are assessed at an average assessment of \$1,013,072/acre
- c. The sales comparables provided by the assessor area assessed at a weighted average assessment of \$965,335/acre
- d. All these assessment comparables are assessed at an average assessment of \$1,028,708/acre
- e. all these assessment comparables are assessed at a weighted average assessment of \$1,021,010/acre

**SURREBUTTAL**

[19] The Respondent did not enter a surrebuttal into evidence nor provide an oral presentation in response to the Complainant's rebuttal.

**DECISION**

[20] It is the decision of the CARB to confirm the assessment at \$2,717,580.

**REASON FOR DECISION**

[21] The Board carefully reviewed the comparables provided by both parties.

- [22] The Board is more satisfied that the Respondent's sales comparables are more comparable to the subject than those presented by the Complainant, as they too require adjustments to support the subject's assessment (based on zoning, methodology used, similar use, variables and adjustments).
- [23] The Board placed more weight on all three comparables zoned Business Industrial (BI) as a fair representation of the subject property. The Board further notes that the comparables provided by the Complainant did not have similar adjustments as was being requested for the subject property (for shape, access, lack of servicing, and isolation).
- [24] The Board placed little weight on the Respondent's argument that the Complainant's comparable, located at 530 Mackenzie Boulevard was a non-arm's length sale; and placed less weight on the relevance of improvements as outlined in the Complainant's comparables.
- [25] The Board was not satisfied that the evidence presented by the Complainant supported the requested -25% adjustment to the property land value.
- [26] Further, the Board was not satisfied there was sufficient evidence to draw the conclusion that the assessment is too high.
- [27] 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").
- [28] It is so ordered.

### **DISSENTING OPINION**

- [29] There was no dissenting opinion.
- [30] 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  
15<sup>th</sup> day of October 2018.

FOIP s.17(1)

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Jacqueline Biollo, Presiding Officer

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**APPENDIX A**

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DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

<b>Exhibit Number</b>	<b>Description</b>
C-1	Complainants Submission (61 pages)
C-2	Complainants Rebuttal (17 pages)
R-1	Respondents Submission (18 pages)
R-2	Respondents Appendix of supporting documentation (38 pages)

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**APPENDIX B**

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REPRESENTATIONS

<b>Person Appearing</b>	<b>Capacity</b>
Jan Goresht	Cushman & Wakefield Property Tax Services
Sam Bosgra	Regional Municipality of Wood Buffalo