

Central Alberta

Regional Assessment Review Board

Decision: **CARB 0262-707/2016**

Complaint ID 707

Roll No. 30001943115

COMPOSITE ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: July 5, 2016

PRESIDING OFFICER: H. Argento

BOARD MEMBER: A. Knight

BOARD MEMBER: Z. Ordman

BETWEEN:

NORTH POINT FINANCE INC.

Complainant

-and-

CITY OF RED DEER
Revenue and Assessment

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 of The City of Red Deer as follows:

ROLL NUMBER: 30001943115

MUNICIPAL ADDRESS: 6852 – 66 Street

ASSESSMENT AMOUNT: \$ 3,481,200

The complaint was heard by the Composite Assessment Review Board on the 5th day of July, 2016, in the City of Red Deer, within the province of Alberta.

Appeared on behalf of the Complainant:

James Phelan, Agent for Colliers International Realty Advisors Inc.

Appeared on behalf of the Respondent:

Anna Meckling and Jason Miller, Revenue and Assessment, The City of Red Deer

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 City of Red Deer Bylaw No. 3474/2011, *Regional Assessment Review Board Bylaw*.

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is located in an area zoned C4, Commercial (Major Arterial) District, and is located at 6852 - 66 Street in the city of Red Deer, within the province of Alberta.
- [3] There is a two-storey building with a basement on the subject property containing a restaurant and upper floor meeting rooms.
- [4] A property assessment complaint was filed on March 21, 2016, and Notice of Hearing was sent to the parties on April 19, 2016.

PRELIMINARY MATTERS

- [5] The Board Chair confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [6] Neither party raised any objection to the panel hearing the complaint.
- [7] The Respondent raised a preliminary issue regarding pages 11, 12, 13, 14, 27, and 28 of the Complainant's rebuttal document. The Respondent asserted that these pages are new information and should not be included.
- [8] The Complainant referred to page 14 of the Respondents rebuttal disclosure and argued that pages 11, 12, 13, 14, 27, and 28 of Complainant's rebuttal document speak to a data correction related to incorrect information in the Respondent's disclosure pertaining to the size of a convention centre, used as a comparable by the Complainant.
- [9] The Board considered the preliminary matter and determined that the pages identified by the Respondent are in fact new evidence and will not be allowed into evidence. The remainder of the Complainant's rebuttal will be allowed into evidence, but the noted pages may not be referred to.
- [10] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.
- [11] The Board confirmed the submissions of the parties and entered the following Exhibits into the record:
- A1 - Clerk Hearing Materials including Agenda, Complaint, and Notice of Hearing
 - C1 - Complainant Disclosure
 - R1 - Respondent Disclosure
 - C2 - Complainant Rebuttal (excluding pages 11, 12, 13, 14, 27, and 28)

ISSUES

[12] The Board considered the parties' positions and determined one issue before the Board as follows:

Is the space on the upper floor assessed inequitably with similar space.

POSITION OF THE PARTIES

Position of the Complainant

[13] The Complainant agreed that the only issue was the \$18.00 per square foot ("psf") rate applied to the upper floor, which is used as conference space. All other aspects of the income approach were accepted and not under complaint.

[14] The Complainant presented one comparable, the Sheraton Hotel at 3310 50 Avenue, which is valued for assessment purposes at \$10.00 psf for the conference space.

[15] In summary, the Complainant requested that the rate for the upper space be reduced to \$10.00 psf, reducing the assessed value to \$3,208,700.

Position of the Respondent

[16] The Respondent submitted that the income approach had been used to value the subject property. The only component under complaint is the rate used on the upper floor. The subject property is somewhat unique with an upper level event/conference space. The Respondent provided a chart of 3 purportedly comparable second floor areas (page 11 of R1). In questioning, the Complainant asked if the second floor areas in the comparable buildings were rented out to the public, to which the Respondent stated that this was not relevant. The Respondent answered that the rates referred to in the chart were assessed rates and not lease rates.

[17] The Respondent addressed the Complainant's comparable, a 55,000 sf convention centre. The Respondent argues that this property, which is a full service convention center, is not comparable to the subject property.

[18] In summary, the Respondent submitted that the Complainant has failed to meet the evidentiary burden to show that the assessment is wrong, unfair or inequitable and requested that the assessment be confirmed.

REBUTTAL

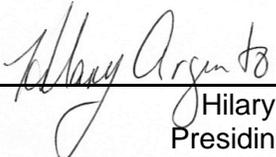
[19] The Complainant, in rebuttal, asserted that the comparables used by the Respondent were 2nd floor office space located in downtown Red Deer while the subject and the Complainant comparable are located in the suburban area. Two of the Respondent's comparables were attached to a shopping centre. None of the properties were used as anything other than office space, and cannot be considered to be comparable to a space used for conferences/events with a prep kitchen.

BOARD FINDINGS and DECISION

- [20] The Complainant's position is that the \$18.00 psf rate applied to the 2nd floor space which is used for events/conferences not comparable to the space at the Sheraton Hotel.
- [21] The Respondents position is that the \$18.00 psf rate that was applied to the subject property, is the same rate as applied to other 2nd floor spaces in the city of Red Deer. There are no other properties that provide a second floor event space so upper level spaces were provided to support assessment equity. These spaces can be used for meetings/events.
- [22] The Board finds that neither party provided lease information to support the value assessed or requested. The Board further finds that both parties provided comparables that were not similar to the subject property. The Complainant stated that the Respondent's comparables did not have prep kitchens but only kitchenettes. No definition or evidence was provided by either party to clarify any difference or impact to the value of the property based on the existence of a prep kitchen as opposed to a kitchenette.
- [23] The Board found that the Complainant has not met the onus of proof as outlined in legislation:
- MGA s 460 (7) A complainant must
(b) explain in what respect that information is incorrect,
(c) indicate what the correct information is,
- [24] In summary, the Board finds that in the absence of sufficient evidence, the Board is unable to change the assessed value.

DECISION SUMMARY

- [25] The Board finds that the value of the property assessment is CONFIRMED.
- [26] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 27th day of July, 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.



Hilary Argento
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

EXHIBIT NO.

ITEM

- A1 - Hearing Materials including Agenda, Complaint, and Notice of Hearing (11 pages)
- C1 - Complainant Disclosure (23 pages)
- R1 - Respondent Disclosure (45 pages)
- C2 - Complainant Rebuttal (excluding pages 11, 12, 13, 14, 27, and 28 of 28 pages)