



**ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

CARB - 0203-0011/2012

IN THE MATTER OF A COMPLAINT filed with the City of Lethbridge 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 (Act).

BETWEEN:

Brian Roelofs – Mo-Tires Ltd - Complainant

- a n d -

City of Lethbridge - Respondent

BEFORE:

Members:

Mike Vercillo, Presiding Officer

Kent Perry, Member

Bal Boora, Member

A hearing was held on Wednesday, June 20, 2012 in the City of Lethbridge in the Province of Alberta to consider complaints about the assessments of the following property tax roll numbers:

Roll No./ Property Identifier	Assessed Value	Owner
4-2-050-2910-0001 2910 5 Avenue N	\$643,000	Mo-Tires Ltd

Appeared on behalf of the Complainant:

- Brian Roelofs – Mo-Tires Ltd

Appeared on behalf of the Respondent:

- Gord Petrunik, Assessor, City of Lethbridge

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is an industrial 2.99 acre rectangular shaped vacant land property in north Lethbridge that is zoned Heavy Industrial.

The subject is assessed using the Direct Sales Comparison Approach to value. Industrial vacant lands in the City of Lethbridge are stratified according to size. Properties that range in size from 2.00 acres to 2.99 acres are assessed at a rate of \$187,000 per acre. The subject is assessed accordingly at the \$187,000 per acre rate with an additional 15% positive influence because it is on a major arterial road.



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PART B: PROCEDURAL or JURISDICTIONAL MATTERS

The CARB derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural issues were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint, as outlined below.

PART C: ISSUES

The CARB considered the complaint form together with the representations and materials presented by the parties. The matters or issues are as restated below:

- Issue 1: The subject property's development potential is limited because of a registered property easement on title involving a high pressure gas line.
- Issue 2: The assessment rate per acre of the subject property is inequitable.
- Issue 3: The increased assessment value from the prior year is without merit.

ISSUE 1: The subject property's development potential is limited because of a registered property easement on title involving a high pressure gas line.

The Complainant provided a six page document including what was submitted with the complaint form entitled "Assessment Review Board Complaint" that was entered as "Exhibit C1" during the hearing. The Complainant along with Exhibit C1 provided the following evidence with respect to this issue:

- A narrative stating that there is a high pressure gas line on the property which is registered on title and limits the properties development potential. Therefore, the assessment should reflect this limitation.

The Respondent provided a 21 page document that was entered as "Exhibit R1" during the hearing. The Respondent along with Exhibit R1 provided the following evidence with respect to this issue:

- An overhead map of the subject site was provided showing that the easement of the high pressure gas line runs north/south along the most easterly portion of the site. Given the location of the easement, the Respondent concluded that even with typical setbacks for development, the subject is not limited in its development potential.

Decision: Issue 1

In view of the above considerations, the CARB finds as follows with respect to Issue 1:

- The easement for the high pressure gas line is along the eastern perimeter of the subject property and therefore provides no significant limitation to the site's development potential.



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ISSUE 2: The assessment rate per acre of the subject property is inequitable.

The Complainant along with Exhibit C1 provided the following evidence with respect to this issue:

- A narrative stating that the subject property was originally part of the much larger Varsteel property that was assessed at \$100,000 per acre. The Complainant was of the opinion that larger properties are actually worth more than smaller properties, such as the subject, because there is more development potential. Larger properties can also be subdivided and sold off if not required for large developments. Therefore, the subject should be assessed at the same per acre rate as the larger Varsteel property.

The Respondent along with Exhibit R1 provided the following evidence with respect to this issue:

- A table of 5 land sales of comparable properties to the subject, all in north Lethbridge. The comparables had parcel sizes ranging from 0.5 acres to 2.58 acres. The sales dates of the comparables ranged from January, 2010 to August, 2011. Sales prices per acre ranged from \$188,934 to \$259,424 per acre with an average of \$210,896 per acre. The Respondent concluded that the subject's assessment value of \$187,000 per acre with an added 15% positive influence factor (or \$215,050 per acre) is equitably assessed.

Decision: Issue 2

In view of the above considerations, the CARB finds as follows with respect to Issue 2:

- There was no market evidence provided by the Complainant that would support his idea that smaller parcels of vacant land should be assessed at the same per acre rate as larger parcels of land.
- The Respondent did provide sales comparable evidence to support the assessment rate per acre of the subject. Unfortunately there was only one comparable sale that was nearly the same size as the subject and it was post facto. However, it was market evidence nonetheless and it was not disputed by the Complainant.

ISSUE 3: The increased assessment value from the prior year is without merit.

The Complainant along with Exhibit C1 provided the following evidence with respect to this issue:

- A narrative stating that the assessor has been unable to provide comparable sales to justify an increase in the subject's assessed value over the years since he purchased the property. Therefore, the Complainant concluded that without comparable sales evidence the subject should be assessed at it's April, 1999 sales price of \$62,333 per acre or \$187,000 (the request on the complaint form)

The Respondent along with Exhibit R1 provided the following evidence with respect to this issue:

- Quotations from past Municipal Government Board (MGB) and Assessment Review Board (ARB) decisions addressing the issue of year over year increases in



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assessments. Generally the decisions stated that year over year increases are not a valid reasons or justifications unto themselves for invalidating an assessment. Each year's assessment is independent from the prior year and must be supported by market evidence.

Decision: Issue 3

In view of the above considerations, the CARB finds as follows with respect to Issue 3:

- There was no market evidence provided by the Complainant that would support his idea that the assessment of the subject property should be the same as its April, 1999 purchase price.

PART D: FINAL DISPOSITION OF COMPLAINT

The complaint is denied and the assessment is confirmed as follows.

Roll No./Property Identifier	Value as set by the CARB	Owner
4-2-050-2910-0001 2910 5 Avenue N	\$643,000	Mo-Tires Ltd

The CARB provides the following reasons for the decision:

- The onus or burden of proof first lies with the Complainant to demonstrate the either the assessment is incorrect, or provide enough information supported by market evidence that may cast doubt on the assessment, or that the Complainant's alternative value more accurately approximates fair market value. The Complainant provided no evidence whatsoever that could be demonstrated in the marketplace that the assessment was unfair or inequitable.

It is so ordered.

Dated at the City of Lethbridge in the Province of Alberta, this 12th day of July, 2012.

Mike Vercillo, Presiding Officer



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APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

NO. ITEM

- | | |
|---------------|--------------------------|
| 1. Exhibit C1 | Complainant's Disclosure |
| 2. Exhibit R1 | Respondent's Disclosure |

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Column 1	Column 2	Column 3	Column 4	Column 5
CARB	Other Property Types	Vacant land	Sales Approach	Land value