

OKOTOKS COMPOSITE ASSESSMENT REVIEW BOARD ORDER #0238/05/2010-M

IN THE MATTER OF A COMPLAINT filed with the Town of Okotoks Composite Assessment Review Board (CARB) pursuant to the *Municipal Government Act (Act)*, Chapter M-26.1, Section 460(4).

BETWEEN:

Okotoks Village Inc (Ronmor Holdings) - Complainant

- and -

The Town of Okotoks - Respondent

BEFORE:

F. Wesseling, Presiding Officer
J. Tiessen, Member
R. May, Member

These are complaints to the Town of Okotoks Composite Assessment Review Board (CARB) in respect of property assessments prepared by the Assessor of the Town of Okotoks and entered in the 2010 Assessment Roll as follows:

Roll Number	Address	Assessment
Roll Number: 0070380	31 Southridge Drive	\$ 10,138,000.00
Roll Number: 0070410	31 Southridge Drive	\$ 1,665,000.00
Roll Number: 0070420	31 Southridge Drive	\$ 5,387,000.00

This complaint was heard on the 5th day of October, 2010 at the Town of Okotoks Council Chambers at 5 Elizabeth Street, Okotoks, Alberta.

Appearing on behalf of the Complainant:

- Altus Group Limited (Agent for the Complainant) - B. Ryan

Appearing on behalf of the Respondent:

- P. Huskinson

Property Description and Background:

The subject property is located along Southridge Drive, the major north-south arterial roadway in Okotoks. Contained on the property is a retail centre consisting of a number of businesses including a drugstore, restaurants, gas bar, a pub and a number of professional office/retail outlets. Some of the businesses are in free standing buildings. Similar types of businesses are located along Southridge Drive. Residential areas are in close proximity.

Issues:

Pursuant to Section 460 of the MGA and Schedule 1 of the Alberta Regulation AR 310/2009 the complainant has identified a number of issues for adjudication by the Board. The following issues were raised at the hearing:

- The Town's value for assessment is incorrect as the lands are assessed in excess of market value and that the issue of tenant improvements was not addressed and accounted for.
- The Town's value for assessment is not equitable with similar properties.

The Complainant requested an assessment of **\$8,472,000.00** for Roll Number 0070380; **\$1,499,000.00** for Roll Number 0070410 and **\$3,523,000.00** for Roll Number 0070420

Other Issues on Form:

Not applicable

Summary of the Partys' Positions

Complainant:

The Complainant addressed equity and market issues by providing information on similar properties in Calgary and Westmount Village in Okotoks. In particular the focus of the presentation was on comparing Shoppers Drug Marts in Calgary to the Shoppers Drug Mart in Okotoks. A similar comparison was made about how assessments are arrived at in terms of gas bars in Calgary. It was indicated that the Complainant no longer has an issue with vacancy rates and cap rates as applied in the assessment calculations. A Royal Bank of Canada (RBC) report dealing with the softening of the retail market in Alberta was presented.

The Complainant provided information on the net rent for the businesses located in the subject property with a comparison to similar properties elsewhere. References were provided for decisions in other municipalities. There was an emphasis to compare the subject property to a similar property in Okotoks called Westmount Village. The Complainant also made a case that Okotoks should take into account landlord costs and inducements

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Respondent:

The Town provided market comparables in Airdrie and Calgary. The Town indicated that its approach to assessment is consistent in terms of not taking into account tenant improvements and inducements. This is not applied anywhere within the municipality. In addition comparisons with Calgary are not appropriate as Okotoks is an important, growing regional retail centre. Rental rates for restaurants were provided and the Board questioned the differential rates which seem somewhat arbitrary in terms of the factors of size, visibility and exposure that were applied. The Town indicated that some of the assessments requested were less than actual construction costs provided by the owner.

Findings and Reasons:

Upon reviewing the verbal and written evidence provided by the parties, the Board considers that the Complainant failed to demonstrate that the assessment was inequitable or the adjustment requested be applied. As such, the assessment of **\$10,138,000.00** for Roll Number 0070380; **\$1,665,000.00** for Roll Number 0070410 and **\$ 5,387,000.00** for Roll Number 0070420 are confirmed.

The reasons for the Board's decision are that the market data provided by the Complainant including the general report by the RBC was not compelling or specific enough in nature to make an adjustment. The best comparable provided was Westmount Village in Okotoks, however that information was based on a listing and not an actual sale. While on balance the Board was intrigued by the concepts of tenant improvements and inducements, it was not prepared to accept broad assumptions and arrive at a general conclusion with regard to this matter in light of the fact that the Town is consistent in its approach throughout the municipality. This satisfied the Board that the assessment is fair and equitable.

Decision Summary

The decision of the Okotoks CARB is to confirm the 2010 assessment.

It is so ordered.

Dated at the Town of Okotoks in the Province of Alberta, this 1st day of November 2010.

(for) 

Frank W. Wesseling
Presiding Officer

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An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.

Any of the following may appeal the decision of an assessment review board:

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to

- (a) the assessment review board, and*
 - (b) any other persons as the judge directs.*
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