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City of Red Deer Assessment Department  
4914 48 Avenue  
Red Deer, AB T4N 3T4

**Attention: B. Lutz, Assessor**

Via email: [brian.lutz@reddeer.ca](mailto:brian.lutz@reddeer.ca)  
**(paper copy to follow)**

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## COMPOSITE ASSESSMENT REVIEW BOARD DECISION

**Hearing: 06 October, 2010**

Panel: Presiding Officer M. Chilibeck; I. Ronnie; T. Stevens

Decision# CARB0262-177/2010

**Roll 3312120**  
**7550 40 Avenue**  
**Red Deer, Alberta**  
**Assessment \$35,492,860**

For the Complainant:  
S. Eady – Altus Group

For the Respondent:  
R. Kotchon, Assessor  
A. Meckling, Assessor

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The subject property is a hog processing and distribution facility located in the area known as Riverside Heavy Industrial in north east Red Deer. At the time the complaint was filed, the Complainant identified 10 grounds for complaint with respect to the assessed value of the land and improvements. At the outset of the hearing the Complainant confirmed that only one matter is to be decided by the Board – 50% of the assessed value of the hog barn should be exempt from taxation. All other matters have been resolved.

The argument put forth by the Complainant is that 50% of the hog barn is exempt from taxation, because the improvement is actively used by primary agricultural producers. The hog barn is an extension of primary agriculture operations; it is exempt under s.22(c) of *"Matters Relating to Assessment & Taxation"* regulation AR220/2004 (MRAT) which allows any farm building in a City (urban municipality) a 50% assessment exemption. The Complainant contends that the hog barn is a 'farm building' used for 'farming operations' which, under the definition in MRAT, means the raising, production and sale of agricultural products and includes the production of swine. In support of this argument, the Complainant argued that the land is leased by the Western Hog Exchange (WHE) from the owner of the subject property while the hog barn is owned and maintained by the WHE which is a cooperative of hog producers and

therefore qualifies for the exemption. The Complainant is requesting that the improvement (hog barn), valued at \$1,937,400 be given an exemption of \$968,700.

The Respondent argued that the hog barn is not used for farming operations. In support of the argument, the Respondent provided and referred to a copy of Municipal Government Board Order #028/04 (Order) that stated steel storage bins used to store sunflower seeds were part of a processing operation and not farming operations. The hog barn, the Respondent contended is part of a processing operation and is used to store hogs until processing commences.

The Board concurs with the Order and finds that not unlike any other manufacturing or processing plant, the sole purpose of the hog barn is to store the hogs until such time as they are required for processing. The exemption in MRAT for farm buildings is given to the assessed property owner whose property meets the definition of 'farming operation'. The Board has not been presented with convincing evidence that farming operations are being conducted on the subject property and as such, finds this argument in favour of the Respondent.


The Complainant and the Respondent each provided one comparable property to support their arguments. The Complainant identified a high throughput grain elevator property in the County of Camrose where the steel bins leased to farmers have been granted an exemption by the county assessor. The Respondent provided information on a meat processing plant located in High River where the exemption for the cattle pens has not been granted by the assessor for the M.D. of Foothills.

The Board did not have sufficient information on the comparable properties to base its decision and therefore placed little weight on the comparables. The decision is based on the interpretation of the legislation.

The request to exempt 50% of the value of the hog barn is denied. The assessed value is confirmed as 100% taxable at \$35,492,860.

Dated at the City of Red Deer in the Province of Alberta this 26 day of October, 2010 and signed by the Appeals Coordinator for the Presiding Officer on behalf of all three panel members who agree with this decision.

Cordially,

  
J. Kurylo

for: Myron Chilibeck, Presiding Officer

xc: MGB (via email only: [mgbmail@gov.ab.ca](mailto:mgbmail@gov.ab.ca))

Altus Group (via email only: [CalgaryTax@AltusGroup.com](mailto:CalgaryTax@AltusGroup.com))

**The Municipal Government Act provides the right for you to appeal this decision to the Court of Queens Bench on a question of law or jurisdiction of the Board within 30 days of receiving this letter.**

If you have any questions concerning these matters, please contact the Regional Assessment Review Board Clerk at 403.342.8132.