

July 20, 2011

**NOTICE OF DECISION**  
**CARB 0302 - 17/2011**

Altus Group Ltd.  
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Edmonton, AB  
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crystal.chase @altusgroup.com

Strathcona County  
Assessment and Taxation  
2001 Sherwood Drive  
Sherwood Park, AB T8A 3W7

This is a decision of the Composite Assessment Review Board from a hearing held on June 21, 2011 regarding a complaint for:

Hearing #	Appellant/Owner	Property Description	Roll #	Assessed Value
C2011-22	Metro Waste Paper Recovery Inc.	Lot 14, Block 2, Plan 4452TR NE 30-52-23-W4 (Sherwood Industrial Estates)	2330132008	1,760,000

**Before:**

Tom Robert, Presiding Officer  
Susan Paul, Board Member  
Ryan Bosch, Board Member

**Persons Appearing: Complainant**

Stephen Cook, Altus Group  
Walid Melhem, Altus Group

**Persons Appearing: Respondent**

George Cosens, Manager, Assessment  
Jeff McKinnon, Manager, Assessment

**PRELIMINARY MATTERS**

There were no objections to the composition of the Board or the process to be followed as outlined by the Presiding Officer.

The Respondent had requested that the respondent evidence before the Board be held in confidence due to the content of privileged information and as such the board has agreed to seal the evidence as requested.

**BACKGROUND**

The subject property is a Paper Recycling Plant with railway spur line and a vehicle scale.

The property is located at 2015 – 87 Avenue on 1.980 acres of land. The total assessment is 1,760,000 calculated via the Cost Approach to Value. There is no dispute regarding land value.

**ISSUE**

What is the correct depreciation to be applied to the warehouse and shipping dock, fence, gate and paving?

**POSITION OF THE COMPLAINANT**

The Complainant argues while the Respondent calculated the improvements on the Marshall and Swift manual, depreciation was determined via the Alberta Assessment Age Life Depreciation Table. The Complainant argues that this is an inconsistent approach to the valuation. The correct depreciation from Marshall and Swift is 63% on the warehouse and 80% on the shipping dock, fence, gate and paving, resulting in an assessment of \$388,390 not \$824,869 as derived by the Respondent.

**POSITION OF THE RESPONDENT**

The Respondent argues that the legislation and regulation direct that Market Value is to be determined. The legislation does not prescribe any manual or schedule in the determination of Market Value.

The Respondent argues that it is not uncommon to apply different publications in arriving at value.

The Respondent further presented three direct sales comparables of similar warehouses to substantiate the value arrived at. The comparables range in value from 98.00 to \$159.00 psf. The subject is at the lower portion of the range at \$104.00 psf

**DECISION**

The decision of the Board is to confirm the depreciation values as assessed.

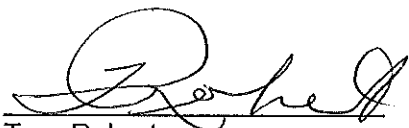
**REASONS FOR THE DECISION**

The Board is of the opinion that the cost approach produced a value of \$104.00 psf which when compared to the direct sales appears to be at the lower end of the range.

The use of two publications in arriving at value was argued, however no evidence to support this issue was put forward.

The Board confirms the assessment at \$1,760,000.

Dated this 20<sup>th</sup> day of July, 2011 at Strathcona County, in the Province of Alberta.



Tom Robert  
Presiding Officer

**Documents Received and Considered by the Board**

1. Exhibit 1-C Complainant Disclosure filed May 9, 2011
2. Exhibit 2-R Respondents Disclosure filed June 6, 2011

Section 470(1) of the Municipal Government Act, RSA 2000, c.M-26 provides you the right to appeal this decision to the Court of Queens Bench on a question of law or jurisdiction. You must make your appeal within 30 days after you receive this notice of decision.

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Copy to: Municipal Government Board