

**TOWN OF EDSON
COMPOSITE ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

***1236412 Alberta Ltd. (Lakeview Inn & Suites)
Represented by Walid Melhem (Altus Group Ltd.)
COMPLAINANT***

and

***The Town of Edson, RESPONDENT
Represented by Norman Bell, AMAA (Assessor for the Town of Edson)***

before:

***J. Acker, PRESIDING OFFICER
Tammy Strang, MEMBER
Louise Connolly, MEMBER***

This is a complaint to the Edson Composite Assessment Review Board in respect of a property assessment prepared by the Assessor of The Town of Edson and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	20250
LOCATION ADDRESS:	528 63 Street
HEARING NUMBER:	TOE-01/2012-P
ASSESSMENT:	\$ 4,069,690

This complaint was heard on 25th day of October, 2012 at the Town of Edson Council Chambers located at 605 – 50 Street, Edson, Alberta.

Appeared on behalf of the Complainant:

- *Walid Melhem*

Appeared on behalf of the Respondent:

- *Norman Bell*

Property Description:

1. The subject is a 69 room limited service hotel located in the Town of Edson, Alberta. The improvement is a 2 storey, wood frame structure built in 2006 situated on a 1.3 acre site. In addition to the guest rooms, the facility includes a breakfast room, fitness room and lobby.

Issues:

2. The subject property is inequitably assessed in comparison with similar properties in the Town of Edson.

Complainant's Requested Value: \$ 3,105,000

Complainant's Position

3. The Complainant testified that his analysis of three similar properties located in the Town of Edson indicates that they exhibit a lower assessment per guest room despite the fact that they enjoy additional improvements such as a swimming pool, restaurant, spas and hot tubs. The subject property includes none of these facilities.
4. The three comparable properties include the 65 unit Foxwood Inn & Suites Assessed at \$38,209/room; the 114 room Best Western High Road Inn assessed at \$50,840/room; and the 79 room Holiday Inn Express assessed at \$52,504/room. The subject is assessed at \$58,989/room

Respondent's Position

5. The Respondent provided the Board with evidence outlining his approach to assessment of the subject property. Using the Cost Approach with values derived from the 1984 Commercial Assessment Manual, the assessor determined that the market value for assessment purposes is as reflected in the assessment. He noted that the property was appealed in 2011 and there was an error found in the adjustment for market applied to the subject. The owners agreed that the 2010 value of \$4,071,250 fairly reflected the value at that time.
6. On questioning, the Respondent indicated that he had visited the subject in preparation for

this hearing and he agreed that the property contains only 69 guest rooms. His assessment record from the date of completion was based on the plans submitted to the Town of Edson indicating 77 guest rooms. His replacement cost valuation was based on 77 rooms since he had never received information from the owner or the Town to indicate that the as-built structure was at variance with the plans submitted.

Board's Decision in Respect of Each Matter or Issue:

7. The subject property assessment is incorrect as rendered and thus does not exhibit equity with other similar properties within the municipality.

Reasons:

8. The assessor is required by legislation to conduct an annual assessment of all properties within the Town of Edson. In doing so, he is required to utilize a mass appraisal technique to ensure equity between all properties in sharing the burden of municipal taxation. A key component to this technique is the stratification of similar properties in order to ensure that the key attributes of properties within each grouping are reflected in the assessment calculation. Utilizing the replacement cost approach for all similar properties meets both the requirements of legislation and results in an equitable approach to assessment.
9. It was an agreed to fact in this appeal that the subject property contains only 69 guest rooms, yet the assessor's records reflect a 77 room facility. The assessment as rendered using the replacement cost approach is \$4,069,690 representing the value of those 77 guest rooms. The assessed value per room would therefore be $\$4,069,690/77 = \$52,853$ per room.
10. Since the subject contains only 69 rooms, the assessment should reflect that lesser number. Using the \$52,853 value per room multiplied by 69 rooms produces a corrected assessed value of \$3,646,857 rounded to \$3,646,850.

Accordingly, the Board reduces the assessment to \$3,646,850.

It is so ordered.

DATED AT THE TOWN OF Edson THIS 29TH DAY OF October 2012.



J. P. Acker
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. Exhibit 1	Consolidated Hearing Package

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.*

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other Property Type	Hotel/Motel	Cost Approach	Improvement Calculation