

IN THE MATTER OF A COMPLAINT filed with the Town of Okotoks Assessment Review Board pursuant to the *Municipal Government Act (MGA)*, Revised Statutes of Alberta 2000, Chapter M-26, Section 460.

BETWEEN:

Boundary Investments Ltd. - Complainant

- and -

Town of Okotoks - Respondent

BEFORE:

B. Horrocks, Presiding Officer

R. Pohl, Board Member

A. Ulloa, Board Member

This is a complaint to the Town of Okotoks Composite Assessment Review Board (CARB) with respect to a property assessment prepared by the Assessor of the Town of Okotoks as follows:

| Roll Number | Address | Assessment |
|--------------------|---------------------|-------------------|
| 0086900 | 101 Northgate Drive | \$14,628,000 |

This complaint was heard on the 16th day of June 2025 via video conference.

Appearing on behalf of the Complainant:

- B. Santillo, MNP LLP

Appearing on behalf of the Respondent:

- C. Van Staden, Assessor

Attending for the Assessment Review Board:

- O. Kanevskyi, Clerk

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Procedural or Jurisdiction Matters

- [1] There were no concerns with the panel as constituted.
- [2] The Complainant has visited the site while the Respondent has not. The parties have discussed the file but were unable to resolve their differences.
- [3] There were no preliminary matters, the merit hearing proceeded.

Property Description

- [4] The subject property is 5.93-acre parcel of land located in the North Gateway neighbourhood in Okotoks, Alberta. The parcel is improved with a 63,135 square foot (sf) car dealership. In addition, there are seven covered hail shelters with 26,510 sf of solar panels mounted on top. The car dealership was constructed in 2008, and the solar hail structures were added in 2023.
- [5] The subject property is assessed using the Income Approach to Value wherein the net operating income (NOI) of \$815,496 is capitalized at the rate of 6.25% to determine the market value for assessment purposes of \$13,047,000, truncated.

Issue(s)

- [6] An assessment amount was identified on the Assessment Review Board Complaint Form as the matter that applies to complaint. At the outset of the hearing, the Complainant advised the only outstanding issue was the typical net market rental rate applied to the dealership solar panels, more specifically:
 - (a) Should the typical net market rental rate to be used in the Income Approach to Value for the solar panels be \$1.00 per sf (psf) or \$5.00 psf as assessed?

Complainant's Requested Value

- [7] \$13,160,000 on the Complaint Form revised to \$13,047,000 at the hearing.

Board's Decision

- [8] For reasons outlined herein there is no change required to the assessment.

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Complainant's Position

- [9] The Complainant provided maps and photographs to assist in describing the solar hail structures and their location.
- [10] The Complainant submitted that the subject property's hail shelters have a rental rate applied to them that is not reflective of market conditions. The rental rate should not be higher than a rental rate applied to an outdoor storage component. Further, there are no market leases for outdoor hail shelters and the \$5.00 psf rental rate applied cannot be relied upon.
- [11] The Complainant submitted that these hail shelters are structures put in place for dealerships to protect their inventory of vehicles outside from summer hailstorms. They are not components that are put on the property for the purpose of gaining rental income.
- [12] The Complainant argued the hail shelters should be considered outdoor storage space and assessed the same \$1.00 rate psf as the other storage component on the property.

Respondent's Position

- [13] The Respondent submitted the storage structures have solar panels on the roof, they have sprinkler systems and electricity. The hail structures significantly reduce a dealership's insurance rates and reduce the amount of electricity used from the grid. While no income is directly derived from these structures, their presence increases the fee simple value of the property.
- [14] The Respondent provided a copy of the building permit for the installation of the solar panels noting the cost to supply and install the solar panels was \$2,117,000. The hail structures would normally trade with the property if it were to be sold and would add value to the fee simple estate and must be assessed.
- [15] The Respondent advised there is another car dealership located to the south of the subject property that has solar hail structures that are assessed using the same \$5.00 per sf rate as the subject.
- [16] The Respondent concluded the solar panels add more than nominal value to the subject property.

Complainant's Rebuttal Position

- [17] The Complainant submitted the Respondent appears to have created a rental rate in order to achieve a value as close to the permit value on the assessment, rather than using market rents of similar spaces. The Respondent has not provided any evidence to

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support the \$5.00 psf typical rental rate applied to the solar hail shelters.

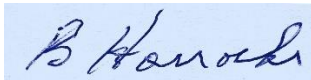
Boards Findings of Fact and Reasons for Decision

- [18] The Board finds there is no evidence from the Complainant to support the nominal rate requested. The \$5.00 psf rental rate was developed to recognize the significant expenditure to construct the solar covered hail shelters.
- [19] The Board finds the \$5.00 psf rental rate is equitable with the assessed rates for similar and competing properties.
- [20] The Board accepts that the hail structures, though not income-generating, enhance the property, provide economic benefit, would transfer with the property if sold, and must be reflected in the assessment.

Conclusion

- [21] There is no change to the typical net market rental rate for the solar covered hail shelters and as a result there is no change required to the assessment.

Dated at the Town of Okotoks in the Province of Alberta this 30th day of June 2025.



B. Horrocks
Presiding Officer

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

| NO. | ITEM |
|-----|-------------------------------------|
| C-1 | Complainant's Disclosure (24 pages) |
| R-1 | Respondent's Disclosure (67 pages) |
| C-2 | Complainant's Rebuttal (6 pages) |

LEGISLATION

MGA, RSA 2000, c M-26

s 1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

s 467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s 467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,*
- (b) the procedures set out in the regulations, and*
- (c) the assessments of similar property or businesses in the same municipality.*

An application for Judicial Review may be made to the Court of King's Bench with respect to a decision of an assessment review board.

An application for Judicial Review must be filed with the Court of King's Bench and served not more than 60 days after the date of the decision, and notice of the application must be given to

- (a) the assessment review board*
- (b) the Complainant, other than an applicant for the judicial review*
- (c) an assessed person who is directly affected by the decision, other than the Complainant,*
- (d) the municipality, and*
- (e) the Minister.*