



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 112/11

Reliance Metals Canada Limited
6925 - 8 Street NW
Edmonton, AB T6P 1T9

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton, AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held on July 18, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
10125696	7003 8 Street NW	Plan: 0821861 Block: 2 Lot: 8	\$6,624,500	Annual New	2011

Before:

Ted Sadlowski, Presiding Officer
John Braim, Board Member
Francis Ng, Board Member

Board Officer:

Annet Adetunji

Persons Appearing on behalf of Complainant:

Matthew Pierson, DuCharme McMillen & Associates

Persons Appearing on behalf of Respondent:

Stephen Leroux, City of Edmonton, Assessor
Rebecca Ratti, City of Edmonton, Barrister & Solicitor

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer the parties before the board indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to this file.

The Complainant raised a preliminary matter relating to the subject property and an adjoining property that the property owner also owned, that each are assessed with different roll numbers. He requested the two parcels should be assessed together as one roll number. The Respondent informed the Board that the adjoining parcel had not been appealed and it was not possible to combine the adjoining parcel with the subject appeal. Following a brief recess the decision of the Board is to hear the subject appeal as the Board does not have jurisdiction under the MGA to combine the two roll numbers into one.

BACKGROUND

The subject property is a large warehouse located in the Maple Ridge Industrial Subdivision. The total building area is 65,396 square feet. The subject is situated on two parcels, each with an individual roll number. The assessment of the subject is attributed to Tax Roll 10125696. The subject land contains 107,263 square feet and has a site coverage ratio (SCR) of 61%. The land is zoned IM, Medium Industrial and the building is utilized as a metal service centre. It is in average condition.

ISSUE(S)

1. Is the 2011 assessment of the subject property equitable with similar and competing properties?
2. Is the subject property assessed in accordance with Section 293 of the *Municipal Government Act*, R.S.A. 2000, c. M-26 and the *Matters Relating to Assessment and Taxation Regulation*, AR 220/2004?
3. Do the characteristics, quality and physical condition meet the requirements of Section 289(2) of the *Municipal Government Act*?

LEGISLATION

The *Municipal Government Act*, R.S.A. 2000, c. M-26;

S.289 (2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and*
- (b) the valuation and other standards set out in the regulations for that property.*

S. 293 (1) In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and*
- (b) follow the procedures set out in the regulations.*

(2) If there are no procedures set out in the regulations for preparing assessments, the assessor must take into consideration assessments of similar property in the same municipality in which the property that is being assessed is located.

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.*

POSITION OF THE COMPLAINANT

The Complainant submitted an appeal brief (C-1) and a rebuttal brief (C-2). The subject improvements are located on two parcels. The Complainant indicated that the assessments for both parcels should reflect as though it were a single parcel (C-1, P-2). The Complainant also included photographs of the subject (C-1, P-8) showing the access to the subject was an unmade road and is of less value because of this. Four equity comparables were also provided (C-1, P-14) that ranged in age from 1981 to 2004. The equity comparables were all IM, located relatively close to the subject and were of similar size to the subject. They were assessed at unit rates varying from \$67.36/ square foot to \$91.27/ square foot. The SCR of the comparables ranged from 20% to 43%.

In the rebuttal brief, the Complainant included the Respondent's sales comparables and the Respondent's equity comparables (C-2, P.3 & 4) that was color coded to indicate the notable differences.

The Complainant also submitted Assessment Details that showed that the subject has a total main floor area of 65,396 square feet and a mezzanine area of 5744 square feet for a total area of 71,140 square feet. The Complainant requested that the assessment on the subject for 2011 be reduced from \$6,624,500 to \$5,109,000.

POSITION OF THE RESPONDENT

The Respondent submitted an assessment brief for the subject that included four sales comparables (R-1, P-25). All of the comparables were in average condition like the subject; two were located in the southeast similar to the subject and two were located in the west end. They ranged in size from 74,801 sq ft to 163,368 sq ft. In addition, all have SCRs ranging from 34% to 54% while the subject has a SCR of 61%. The effective year built for the subject is 2009 whereas the comparables ranged from 1998 to 2007. A second set of sales comparables was also provided to indicate the SCRs if the adjoining parcel of land was combined (R-1, P-26).

The Respondent also submitted ten equity comparables to indicate the subject property has been assessed equitably with other newer properties in the south east industrial area (R-1, P-34).

DECISION

The decision of the Board is to confirm the 2011 assessment of the subject property at \$6,624,500.

REASONS FOR THE DECISION

1. The Board placed more weight on the Respondent's sales comparables (R – 1, P -26) as they were all in average condition like the subject. The time adjusted sale prices range from \$116.06/ sq ft to \$147.66/ sq ft. The assessment per square foot for the subject is \$93.12 which is below the range of the time-adjusted selling prices for the comparables.
2. The Board was also persuaded by the equity argument of the Respondent (R-1, page 34) as the 2011 assessments for the comparables ranged from \$91.44/ sq ft of total area to \$108.73/ sq ft. whereas the assessment per square foot of total area for the subject property is \$93.12 which lies toward the lower end of the range from the equity comparables.
3. The Board placed little weight on the four equity comparables submitted by the Complainant (C-1, page 14) as the comparables are all substantially older than the subject. The year built for the subject is 2010 whereas the years built for the comparables range from 1981 to 2001. Furthermore the SCRs (average 36% and median of 40%) were all substantially lower than the subject.
4. The Complainant submitted a rebuttal (C-2). The Board placed little weight on the rebuttal evidence as it there was conflicting information indicating a number of differences and a number of similarities. In addition, the Board noted there was too much information and very little by way of explanation of the conflicting evidence, that the Board was unable to determine the significance of the information presented.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this 18th day of July 2011, at the City of Edmonton, in the Province of Alberta.

Ted Sadlowski, Presiding Officer

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, R.S.A. 2000, c.M-26.

cc: Patrick Lambie, DuCharme McMillen & Associates

