



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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EDMONTON AB T5J 2R7  
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### NOTICE OF DECISION NO. 0098 156/10

Canadian Valuation Group Ltd.  
1200, 10665 Jasper Avenue  
Edmonton, AB T5J 3S9

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 from a hearing held on August 30, 2010 respecting a complaint for:

<b>Roll Number</b> 1113976	<b>Municipal Address</b> 11743 231 Street NW	<b>Legal Description</b> NW 12-53-26-4
<b>Assessed Value</b> \$7,699,000	<b>Assessment Type</b> Annual Revised	<b>Assessment Notice for:</b> 2010

#### **Before:**

Patricia Mowbrey, Presiding Officer  
Francis Ng, Board Member  
Brian Carbol, Board Member

#### **Board Officer:**

J. Halicki

#### **Persons Appearing: Complainant**

Peter Smith, Agent  
Jim Blounas, Owner

#### **Persons Appearing: Respondent**

Gordon Petrunik, Assessor  
Steve Lutes, Solicitor

#### **Observer:**

Keivan Navidikasmaei, Assessor

### **PROCEDURAL MATTERS**

The parties indicated no objection to the composition of the Board and the Board Members expressed no bias with respect to this file.

## **BACKGROUND**

Located on the western periphery of Edmonton and fronting the Yellowhead Trail, the subject property comprising of a total of 140.859 acres, zoned AG, and is used for residential (3.0 acres), industrial (69.19 acres), and farming (68.69 acres) purposes. There are several industrial improvements on the property.

## **ISSUES**

Is the industrial land within the AG zoning of the subject property equitably assessed?

## **LEGISLATION**

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

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 contends that the industrial land value component of the subject property assessment is excessive. The 2010 assessment of the subject property is \$7,699,000. The Complainant accepts the assessment of land value for the residential and farmland portions as well as for the industrial improvements, but believes that the 2010 assessment relating to the industrial land component consisting of 69.19 acres at \$80,937 per acre or \$5,600,031 is excessive.

Sales information presented by the Complainant indicates a base market value of \$45,000 per acre for AG zoned land, a comparison for the industrial land component of the assessment.

To support this position, six sales comparables of similar properties, the majority of which are located in north Edmonton, were submitted (C1, pg. 1). All these comparables comprised unserviced land and are located generally on the periphery of Edmonton.

Considering these sales comparables, the Complainant requested a value of \$45,000 per acre for the industrial component which equates to \$3,113,550. This would reduce the total assessment, including the uncontested portion, to \$5,212,519. The Complainant requests a reduction in the 2010 assessment to a revised amount of \$5,213,000.

## **POSITION OF THE RESPONDENT**

The Respondent maintains that the assessment of the subject property is fair and equitable. This position is based upon the application of the principles of mass appraisal and on the Respondent's evidence of sales of similar property and equity comparables.

Nine sales comparables of industrial zoned properties (R1, pg. 17), all smaller in acreage than the subject property and from various areas of Edmonton, were presented for the Board's consideration. Also, the Respondent presented four, industrial zoned equity comparables which were located in the same area as the subject property (R1, pg. 18).

The Respondent noted the subject property is in a state of continuous development that has witnessed a decline in the farmland component year-over-year and correspondingly, an increase in industrial use. It is currently zoned IM, but for assessment purposes it has been zoned AG.

The Respondent argues that both sales and equity comparables support the confirmation of the assessment of the subject property at \$7,699,000.

## **DECISION**

The Board's decision is to confirm the 2010 assessment at \$7,699,000.

## **REASONS FOR THE DECISION**

The Board reviewed both the Complainant's (C1) and Respondent's (R1) evidence.

The Board noted that of the Complainant's six sales comparables (C1, pg. 1), sales #4, #5, and #6, were dated October to December 2009, which for purposes of the assessment, are after the valuation date of July 1, 2009. As legislated, the Respondent is unable to include sales after the valuation date, except to demonstrate a trend. Therefore, the Board was unable to consider these three sales comparables for an assessment value.

The Board reviewed the Complainant's sale #1 and noted it was located in a rural residential area located in Rural West Edmonton devoid of industrial development. The Network data sheet (C1, pg. 3) indicated it was an agricultural (AG) zoning and is a property held for future development.

The Network data sheet related to the Complainant's sale #2 (C1, pg.4) notes this property is a narrow strip of land along 153 Avenue from 156 St. to 170 St. adjacent to Anthony Henday Drive. This strip of land, a transportation and utility corridor purchased by Alberta Infrastructure, is a special use property as it is fully encumbered by an overhead power line. It is, therefore, not considered by the Board, due to its shape and special use, to be a typical agriculturally zoned property.

The Board reviewed the Complainant's sale #3, located in the Rural Northeast North Sturgeon area, purchased by the City for the special use of snow storage and according to the Network document (C1, pg. 5) a premium was paid by the municipality for the property based on their need for it. The Board places little weight on this sale.

The Board noted the Complainant's comparables sales (C1, pg. 1) were all zoned AG (agriculture) with no industrial component within the AG use. Whereas, the subject property is located in a developing industrial area fronting onto Yellowhead Trail (Highway 16) and has an industrial component 69.19 acres. The subject property is accessible westbound from the Winterburn Road (215 St.) interchange. Eastbound access is directly into the subject property.

The Board considered the Respondent's sales comparables (R1, pgs. 17;25 and 27) noting they were smaller sized parcels of industrial zoned properties indicating a time-adjusted price of the most current sales #7 and #9, dated respectively February 2008 and June 2009, of \$185,407 per acre.

The Board is aware these sales are significantly smaller parcels than the subject property, but they provide an indication of value for IM industrial zoned land. The subject property is AG zoned property with a component of industrial, farm, and residential land. The Respondent indicated the industrial use lands within the AG zoning are considered by the City as a property in transition and is assessed at a much lower value than industrial lands that are exclusively zoned industrial.

The Board considered the Respondent's four equity comparables of IM, industrial zoned land (R1, pg. 18), which are located within the same area as the subject. These ranged from \$182,533 to \$217,889 per acre.

The Board finds the industrial land use within the AG zoning of the subject property assessed at \$80,937 per acre or \$5,599,200 and the total assessment of \$7,699,000 for the subject property which includes, residential at \$376,340; farmland at \$21,873; and improvements at \$1,702,294 is fair and equitable.

### **DISSENTING OPINIONS AND REASONS**

None.

Dated this thirty-first day of August 2010 A.D., at the City of Edmonton, in the Province of Alberta.

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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: Municipal Government Board  
City of Edmonton, Assessment and Taxation Branch  
City of Edmonton, Law Branch  
D & F Blounas Holdings Ltd.  
Dimitrios Blounas  
Fontini Blounas