



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 221/11

Petro Canada Exploration Inc
Box 2844 Station M
Calgary AB T2P 3E3

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 September 6, 2011, respecting a complaint for:

Roll Number	Municipal Address	Legal Description	Assessed Value	Assessment Type	Assessment Notice for:
7979578	2520 CALGARY TRAIL NW	Plan: 663RS LOT: 2	\$4,772,000	Annual New	2011

Before:

Dean Sanduga, Presiding Officer
Jasbeer Singh, Board Member
Howard Worrell, Board Member

Board Officer: Denis Beaudry

Persons Appearing on behalf of Complainant:

Mark Cathro, Petro Canada
Laval Sangdann, Petro Canada

Persons Appearing on behalf of Respondent:

John Ball, Assessor, City of Edmonton

PROCEDURAL 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.

PRELIMINARY MATTERS

There were no preliminary issues raised by the parties, and the Respondent did not have any recommendations on the file.

BACKGROUND

The subject property is located at 2520 Calgary Trail NW. It is a card-lock bulk fuel station, with a 1,235 sq. ft. retail building, tanks, pumps, and other equipment, on a 2.80-acre lot, with 1% site coverage. It is zoned CHY (Commercial Highway).

ISSUE(S)

Is the 2011 assessment of \$4,772,000 fair and equitable when compared to other similar properties in similar condition?

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 submitted a 26-page brief ("Assessment Review Issue Statement"), which was entered as Exhibit C-1, and a 33-page appraisal report, entered as Exhibit C-2.

The complainant's position (C-1, page 3) is that:

- the assessment of the subject property assessment is incorrect and exceeds the property's market value as of the valuation date of July 1, 2010;
- the assessed land value of the subject property is too high, due to the unique characteristics of the subject's location;
- the assessment does not take into account the severe restrictions placed on access and site visibility by the recently constructed 23rd Avenue overpass, which led a decrease in the

number of visitors to the site and the permanent closure of the subject business on February 28, 2011;

- the assessor erred in using the Income Approach in preparing the assessment;
- the site improvements add little or no value to the property's value and should have been assessed at a nominal rate.

In support of his request for a reduced assessment, the Complainant provided the Board with a complete appraisal of the subject property (Exhibit C-2). The appraisal report, prepared by Frost & Associates Realty Services Inc., establishes the value of the property at \$2,075,000, excluding any improvements and equipment.

The appraisal indicates that the subject site land value should be based upon the land's highest and best use. It includes a comparable land chart (C-2, page 12) with 5 recent sales at various locations in South and North Edmonton, with a range in land value of \$14.09 to \$26.14 per sq. ft. The appraisal uses the low-to-middle portion of the range (which it establishes as \$17.00 per sq. ft.), stating that although the land benefits from a Calgary Trail location, it has limited exposure in comparison to many retail sites.

The Complainant is in agreement that there is value in the subject building, service station equipment, and tanks, and accepts the assessed value of \$639,000.

The Complainant requests that the 2011 assessment be reduced from \$4,772,000 to \$2,714,150.

POSITION OF THE RESPONDENT

The Respondent submitted a 107-page 2011 Assessment Brief (Exhibit R-1).

The Respondent's position is that the subject property, which is zoned (CHY), and is situated in the highly trafficked Calgary Trail South neighbourhood. is an extremely underutilized property (the site coverage is 1%, whereas typical site coverage of improved land is 25%).

The subject property was valued using the Income Approach, to which was added the excess land value (R-1, page.25), to arrive at the assessed value of \$4,772,000.

The Respondent provided a Vacant Land Sales Chart (R-1, page 27), with three comparable properties, all located south of the subject property. The time adjusted sale prices of the comparables were \$34.82, \$45.00, and \$32.90 per sq. ft., supporting the subject land's assessment at \$35.91 per sq. ft.

The Respondent also provided a Land Equity Comparison (R-1 page 51) of properties located to the north and south of the subject (two of these properties are adjacent to the subject property). The assessments range from \$34.82 to \$45.00 per sq. ft., supporting the assessment of the subject property at \$35.91 per sq. ft.

The Respondent rebutted the Complainant's sales comparables, stating the subject is zoned CHY, whereas all of the Complainant's sales comparables are zoned Industrial. The Respondent added that these comparables are not located on a highway, but on less trafficked roads. The Respondent emphasized that the subject property, although underutilized, has the value as assessed, stating that two of his sales comparables were recently developed into a high-rise hotel and a retail/office condominium complex.

The Respondent requested confirmation of the 2011 assessment in the amount of \$4,772,000.

DECISION

The decision of the Board is to confirm the 2011 assessment in the amount of \$4,772,000.

REASONS FOR THE DECISION

The subject property has site coverage of 1%, excess land value, and is situated on the highly trafficked Calgary Trail NW. As such, the subject appears to be underutilized in comparison to adjacent commercial developments.

The Board acknowledges that the subject property, in its use as a card-lock bulk fuel station (at the valuation date of July 1, 2010), is more difficult for 18-wheel trucks to access and has less exposure due to the addition of the 23rd Avenue overpass.

The Board places greater weight on the Respondent's vacant land sales (R-1, p. 27), as they are located close to the subject property. These sales, ranging from \$32.90 to \$45.00 per sq. ft., support the subject assessment at \$35.91 per sq. ft. Although Sale #1 is from August 2005 and requires a time adjustment to bring the value to the July 1, 2010, valuation day, it proves the land is desirable, as the site was recently developed with a high-rise hotel. The Board also notes that this property suffers from the same lack of exposure and access as the subject property. As well, Sale #2, which is to the north of the subject property and is a vacant land sale as at September 2007, with a minimal time adjustment factor, has recently been developed with a retail/office condominium.

The Board notes that the Respondent's equity comparables 1 and 3 (R-1, pages 51 and 52), are properties immediately adjacent to the subject property. These comparables have assessment values (\$35.92 and \$37.68 per sq. ft.) similar to the subject property's (\$35.91 per sq. ft.), with the subject being at the lower end of the range, which indicates to the Board that the subject assessment is reasonable.

The Board placed less weight on the Complainant's comparables presented in the Appraisal (C-1, page 23). These properties are all zoned Industrial, are located on less trafficked roads (in one case a more remote area), and lack clarity for land values, as buildings of various sizes and uses have been included in the sq. ft. calculations.

The Board finds the 2011 assessment of 4,772,000 to be fair and equitable.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 6th day of October, 2011, at the City of Edmonton, in the Province of Alberta.

Dean Sanduga, 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, RSA 2000, c M-26.
