



ASSESSMENT REVIEW BOARD

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NOTICE OF DECISION NO. 0098 258/10

1075119 Alberta Inc
18035 Stony Plain Rd NW
Edmonton, AB T5S 1B2

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 21, 2010, respecting a complaint for:

Roll Number 10136589	Municipal Address 18004 100 Avenue NW	Legal Description Plan: 0827777 Block: 1 Lot: 26
Assessed Value \$2,230,500	Assessment Type Annual - New	Assessment Notice for 2010

Before:

Larry Loven, Presiding Officer
Petra Hagemann, Board Member
Howard Worrell, Board Member

Board Officer: Annet N. Adetunji

Persons Appearing: Complainant

Paul Aulakh
Jim Dallin

Persons Appearing: Respondent

Chris Rumsey, Assessment and Taxation Branch

PRELIMINARY MATTERS

The Respondent raised a preliminary matter regarding the Complainant's rebuttal and submission of the Retrospective Valuation Analysis prepared by Gettel Appraisals Ltd. The Retrospective Valuation Analysis was prepared for two adjoining commercial properties at the request of the City of Edmonton. The Board heard that the Retrospective Valuation Analysis was referred to but not included in the Complainant's original disclosure. The Respondent raised the question as to why it was not included in their original submission and subsequently the Complainant included it in his rebuttal. The Respondent informed the Board that the information contained in the Valuation Analysis would not have significantly changed their position in this

matter. It is the decision of the Board in this preliminary matter to allow the Retrospective Valuation Analysis.

BACKGROUND

The subject property is a 2.32 acre parcel of vacant land located at 18004 100 Avenue, Edmonton. It is in a CHY area, identified in the City zoning bylaws as a commercial highway corridor. It also falls within the boundaries of the Place La Rue West Neighborhood Area Structure Plan. This plan has been reviewed from the perspective of future land use for the subject property and surrounding area.

ISSUE

Is the assessment for the subject property correct?

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 map (C-1) showing the location of the subject property bounded on the south by 100 Avenue. The subject property is of a long narrow configuration subdivided out of a larger 3.84 acre parcel. The Complainant submitted a Retrospective Valuation Analysis dated May 22, 2008 prepared at the request of the Complainant for the City of Edmonton that provided an opinion that the value of the properties including the subject was \$1,923,605 for an area of 3.84 acres or \$500,939 per acre or \$11.52 per square foot. The effective date of the valuation is July, 2007.

The Board understood from the Complainant that this valuation was conducted to establish a value for a municipal reserve required by the City of Edmonton prior to subdividing this 3.84 acre parcel.

The Complainant informed the Board that two 3 acre parcels adjacent and immediately to the west of the subject property had been purchased for the 2010 assessed value of \$326,000 per acre. The Complainant confirmed that this sale occurred early in 2010.

The Complainant provided a 2010 annual realty assessment notice for one of the above 3 acre parcels of land, zoned RMH (Residential Mobile Home), showing that the assessment had decreased from \$985,000 in 2009 to \$766,000 in 2010 indicating a reduction in assessed value for the current year. This parcel is considered to be undeveloped.

The purchase of the sales comparable located at 18104 100 Avenue, by a related party, was part of a transaction to acquire the Hampton Inn Edmonton West. This purchase price may have been unduly influenced as a result.

Any potential future development of the subject property will be limited to DC2 zoning with additional restrictions established by the Place Le Rue West Neighborhood Area Structure Plan.

POSITION OF THE RESPONDENT

The Respondent provided a sale of an adjacent property located at 18104 100 Avenue sold in February 2008 for \$2,500,000 or \$19.29 per square foot and time adjusted to \$19.29 per square foot. This was the only sales comparable provided by the Respondent.

DECISION

The decision of the Board is to reduce the 2010 assessment of the subject property from \$2,230,500 or \$961,422 per acre to \$1,164,500 or \$500,939 per acre.

REASONS FOR THE DECISION

1. The Board accepts that the two 3 acre comparables provided by the Complainant were purchased by a related party at their 2009 assessed value of approximately \$328,000 per acre. Because of their location adjoining the north and west of the sales comparable and subject property respectfully, with no direct access to either Stony Plain Road to the north or 100 Avenue to the south, and with their present designation of RMH, the subject property fronting on 100 Avenue, is likely to be of greater value.
2. The Board finds that the sales comparable provided by the Respondent may have been influenced by non-market factors, notwithstanding that it may have been a non-arms length transaction.
3. The Board finds that the sales comparable had greater frontage to 100 Avenue, was rectangular and larger than the subject property. The subject property being narrower with limited frontage to 100 Avenue would likely be valued less than the sales comparable.
4. The Board finds that the subject property, the sales comparable and the two 3 acre properties are all located within a CHY area. All of these properties are restricted by future development to the DC2 zoning with an attached set of pre-conditions that were established a result of the community concerns over the development of the Walmart property located to the west.
5. The Board was most persuaded by the Retrospective Valuation Analysis to determine the value of the municipal reserve at \$500,939 per acre. This was not disputed by the Respondent, and is considered by the Board to provide the best indication of market value for the subject property.

DISSENTING OPINIONS AND REASONS

None.

Dated this 23rd day of September, 2010, at the City of Edmonton, in the Province of Alberta.

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
1172136 Alberta Ltd