



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 284/10

Altus Group Ltd.
17327 106A Avenue
Edmonton, AB T5S 1M7

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 October 13, 2010 respecting a complaint for:

Roll Number 10015908	Municipal Address 5815 75 Street NW	Legal Description Plan: 0420486 Block: 1 Lot: 3
Assessed Value \$10,477,500	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Michael Vercillo, Presiding Officer
Brian Hetherington, Board Member
Jack Jones, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

A.R. (Tony) Patenaude, Agent
Sr. Tax Consultant, Altus Group Ltd.

Persons Appearing: Respondent

Richard Fraser, Assessor
Assessment and Taxation Branch

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the CARB and that complete disclosure had occurred between them. In addition, the Board Members indicated no bias with respect to this file.

ISSUE(S)

The Complainant listed 25 issues or grounds for appeal on the Complaint form, but during the hearing indicated that only one issue, as stated in the "Objectives" of his written submission, would be addressed. The issue is restated as follows:

Sales of similar land would indicate a lower value than the current assessment.

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.

BACKGROUND

Located in the Roper Industrial subdivision, the commercial subject property zoned IH comprises approximately 700,234 square feet (SF) and contains several improvements. The subject property operates as a medium manufacturing plant with site coverage of approximately 10%.

The subject is considered a “special purpose” property by the Respondent and accordingly is assessed using the cost approach to value. Using this approach the subject is currently assessed as follows:

- Building - \$ 1,721,650
- Land - \$ 8,756,265
- Total (rounded) \$10,477,500

COMPLAINANT’S POSITION

The Complainant presented written evidence in support of his position entered as exhibit C1.

The Complainant submitted a chart of four land sales comparables to demonstrate that the sales of similar parcels suggest a lower value for the subject. The average time-adjusted sales price per SF of the comparables was \$9.07, whereas the subject is currently assessed at \$12.50 per SF. The Complainant concluded that the average rate per SF of the land sales comparables should be applied to the subject to arrive at a requested land value of \$6,351,826. This requested land value combined with the current assessed value of the improvements results in an overall requested assessment value for the subject of \$8,073,000.

During questioning, it was determined that two of the comparables were in the southeast part of the city and two of the comparables were on major arterial roadways. The subject contains both of these attributes. The Complainant contends that although the subject is on a major roadway, it does not benefit from the location because of the type of operation occurring on the property.

RESPONDENT'S POSITION

The Respondent presented written evidence in support of his position entered as exhibit R1. He also presented a legal brief entered as exhibit R2.

The Respondent submitted a chart of three land sales comparables to demonstrate that the sales of similar parcels support the current assessment and contrasted them against the four comparables which the Complainant had provided. The Respondent indicated that one of the Complainant's sales comparables had only partial utility servicing, unlike the subject which had full servicing and therefore should not be considered comparable. He also noted that one of his three comparables is on a major roadway and has a time-adjusted sales price per SF of \$13.47. This comparable alone would tend to support the assessment. The Respondent indicated that the average of the combined six (not including the partially serviced comparable) comparables' time-adjusted sale prices per SF is \$10.26.

DECISION

The decision of the CARB is to revise the assessment to a value of \$9,039,000, as follows:

- Building - \$ 1,721,650
- Land - \$ 7,317,445
- Total (rounded) \$ 9,039,000

REASONS FOR THE DECISION

The CARB chose to rely on the sales comparables presented by both parties that are located in the same southeast region as the subject and contain full servicing. This would eliminate the first two comparables submitted by the Complainant. The remaining five comparables were averaged for a time-adjusted sales price per SF of \$10.45 and applied this to the subject's land.

DISSENTING DECISION AND REASONS

There was no dissenting decision.

Dated this fourteenth day of October, 2010 A.D. 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
City of Edmonton, Assessment and Taxation Branch
Carry Equities Inc.