



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
1 SIR WINSTON CHURCHILL SQUARE  
EDMONTON AB T5J 2R7  
(780) 496-5026 FAX (780) 496-8199

### NOTICE OF DECISION NO. 0098 287/10

Hangar 11 Corp.  
304-10209 97 Street NW  
Edmonton AB T5J 0L6

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 14, 2010, respecting a complaint for:

<b>Roll Number</b> 9965182	<b>Municipal Address</b> 11760 109 Street NW	<b>Legal Description</b>
<b>Assessed Value</b> \$2,195,000	<b>Assessment Type</b> Annual - New	<b>Assessment Notice for:</b> 2010

#### **Before:**

Robert Mowbrey, Presiding Officer  
Ron Funnell, Board Member  
Reg Pointe, Board Member

**Board Officer:** Denis Beaudry

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

Laurie I. Wood, Wood Law Office  
Mike Harold, Hangar 11 Corp.

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

Richard Fraser, Assessor, City of Edmonton

#### **PRELIMINARY MATTERS**

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

No preliminary matters were raised by the parties.

## **BACKGROUND**

The subject property is located at 11760 109 Street NW in the Edmonton Municipal Airport neighbourhood. It is a 3.08 acre lot with two storage hangars, the sizes of which are 42,550 square feet and 21,674 square feet, respectively. The land is owned by the City of Edmonton and the improvements by the Complainant.

## **ISSUE(S)**

Is the 2010 assessment of the subject property in the amount of \$2,195,000 fair and equitable?

## **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 presented evidence to the Board (C-1, 13 tabs) detailing the property under dispute.

The Complainant indicated to the Board that the subject property has restrictive covenants.

The Complainant also presented evidence to the effect that he had entered into an offer to lease the land site under and around Hangar 11 in 1996, and an offer to purchase Hangar 11 in 1997, with ERAA (Edmonton Airports). The land lease and bill of sale were made on April 1, 1998. In 1999, the lease was amended, resulting in a reduction in size of the area leased from 17,947 square metres to 11,645 square metres. The Complainant is currently leasing the land for \$32,000 per year.

The Complainant provided an appraisal of the property by Guy J. Bourgeois, dated January 2003.

The Complainant advised the Board that the highest and best use of the land is not happening.

The Complainant advised the Board that an MGB decision of the 2009 assessment had resulted in a reduction of the 2009 assessment from \$2,434,500 to \$1,320,000. The Complainant requested a 2010 assessment in the amount of \$1,188,000, based on an intuitive judgment (economy, market).

## **POSITION OF THE RESPONDENT**

The Respondent presented evidence to the Board detailing comparable sales to the subject property (exhibit R-1, p. 21). The Respondent recommended a value on the land of \$360,000 per acre, giving a value of \$1,109,000.

The Board allowed the Complainant to recess to analyse the recommendation. The Respondent later joined the Complainant in the deliberation room. Upon the hearing being reconvened, the Complainant accepted the recommendation of the subject property at \$1,109,000 for the land. Furthermore, the Complainant and Respondent agreed to value Storage 1 at \$6.10/square foot reducing the assessment of that building from \$490,000 to \$259,500. The assessment of Storage 2 was deemed equitable by both parties.

## **DECISION**

The Board's decision is to reduce the 2010 from \$2,195,000 to \$1,497,000.

## **REASONS FOR THE DECISION**

The Board was persuaded by the Respondent's recommendation of the land at \$360,000/acre, bringing the land value to \$1,109,000. The Board was further persuaded by the Complainant's and the Respondent's agreement that Storage 1 should be valued at \$6.10/square foot instead of \$11.51/square foot. This value was arrived at using the Complainant's comparable of Hangar 8 (C-1, p. 16). Both parties agreed that Hangar 11 and Hangar 8 were somewhat different in construction but very similar in functionality.

## **DISSENTING OPINIONS AND REASONS**

There was no dissenting opinion.

Dated this 14<sup>th</sup> day of October, 2010, 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.*

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cc: Laurie I. Wood, Wood Law Office  
City of Edmonton Asset Management & Public Works  
Municipal Government Board