



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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### NOTICE OF DECISION 0098 305/10

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 12, 2010 respecting a complaint for:

<b>Roll Number</b> 10005781	<b>Municipal Address</b> 10405 120 Street NW	<b>Legal Description</b> Plan: 4423AJ Block: 18 Lot: 58 et al
<b>Assessed Value</b> \$8,488,500	<b>Assessment Type</b> Annual New	<b>Assessment Notice for:</b> 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. In addition, the Board Members indicated no bias with respect to this file.

The parties confirmed complete disclosure had occurred between them.

### **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:

The improvement value on the subject property is incorrect. The age-life (and thus depreciation) of the buildings are incorrect. The subject has reached the end of its economic life and, therefore, the value reverts to land only value.

## **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 Oliver subdivision, the commercial subject property zoned CB2 comprises approximately 163,340 square feet and has several improvements thereon. The subject property was formerly used as an automobile dealership.

The subject is considered a “special-use” property by the Respondent and accordingly is assessed using the cost approach to value.

## **COMPLAINANT’S POSITION**

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

The Complainant believes the 2010 assessment related to the improvements on the subject is excessive. The portion of the assessment related to land is not contested.

The Complainant submitted that at valuation date, the showroom was vacant and had been vacant for approximately two years. Accordingly, the improvement should be given a nominal value of \$500, since it has effectively reached the end of its economic life. The Complainant acknowledged however, that the service shop was still in operation as at the valuation date.

The Complainant concluded his presentation by requesting that the 2010 assessment be reduced to \$6,032,000, which is comprised of the current land value as assessed plus the nominal value of \$500 for the improvements.

## **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 believes that the subject has been fairly and equitably assessed according to the commercial/industrial (special-use) assessment model. The model, using the cost approach, assesses the subject as follows:

1. "Autoshow"	\$1,960,131
2. "Offbldg"	\$ 395,462 (service shop portion)
3. "Nets"	\$ 71,235
4. "Canopy"	\$ 30,183
5. Total Improvement	\$2,457,011
6. Land	<u>\$6,031,810</u>
7. Total assessment	\$8,488,500

The Respondent, however, was willing to concede that given that the auto showroom has been vacant for approximately the past two years, he would be willing to reduce all the improvements by \$965,500. This would be accomplished by changing the effective year built of the improvements to 1966 from 1980. Overall, this would reduce the total 2010 assessment from \$8,488,500 to \$7,523,000.

Upon further reflection, the Respondent was willing to accept a nominal value of \$500 be applied to all improvements, except for the service shop portion, since it was being used as at the valuation date. This would result in a further revision to the assessment to a value of \$6,427,772.

A legal brief was presented and entered as exhibit R2.

## **DECISION**

The decision of the CARB is to revise the assessment to a value of \$6,428,000

## **REASONS FOR THE DECISION**

The CARB accepts the arguments put forth and acknowledged by both parties that all of the improvements except for the service shop have reached the end of their economic life and accordingly, should be valued nominally.

## **DISSENTING DECISION AND REASONS**

There was no dissenting decision.

Dated this twentieth day of October, 2010 A.D. at the City of Edmonton, in the Province of Alberta.

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Michael Vercillo  
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  
Crosstown Land Holdings Ltd.