



ASSESSMENT REVIEW BOARD

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

NOTICE OF DECISION NO. 0098 309/10

Aircore Industries Ltd.
8 11824 109 Street NW
Edmonton AB T5G 2T8

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 5, 2010 respecting a complaint for:

Roll Number 9965183	Municipal Address 8 11824 109 Street NW	Legal Description Null
Assessed Value \$1,723,000	Assessment Type Annual - Revised	Assessment Notice for 2010

Before:

Dave Thomas, Presiding Officer
George Zaharia, Board Member
James Wall, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

None in attendance

Persons Appearing: Respondent

Richard Fraser, Assessor

PRELIMINARY MATTERS

In the absence of the Complainant at the scheduled hearing time of 9:00 a.m., the CARB delayed proceedings until 9:20 a.m. With no communication being received from the Complainant by 9:20 a.m., the proceedings began using the complaint form and the written material received from the Complainant.

ISSUE(S)

1. What is the assessable interest in the subject property?
2. What is the appropriate land value for the subject property?

BACKGROUND

The subject property is a hangar building located at the City Centre Airport in downtown Edmonton.

LEGISLATION

The Municipal Government Act, R.S.A. 2000, c. M-26;

s.304(1)(e) The name of the person described in column 2 must be recorded on the assessment roll as the assessed person in respect of the assessed property described in column 1.

Column 1 Assessed property

(e) a parcel of land and the improvements to it held under a lease, licence or permit from a regional airports authority, where the land and improvements are used in connection with the operation of an airport;

Column 2 Assessed person

(e) the holder of the lease, licence or permit or the person who occupies the land with the consent of that holder;

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 states that as Aircore Industries Ltd. holds only a leasehold interest in this property from the City of Edmonton, Aircore Industries Ltd. should not be assessed as if it were the owner.

The Complainant further states that a recent sale realized only \$900,000 and that the assessment should not exceed this value.

POSITION OF THE RESPONDENT

The Respondent notes that Section 304(1)(e) of the *Municipal Government Act* requires the assessor to assess the full fee simple value of this property, notwithstanding the leasehold interest. Further, the sale was not of the fee simple interest and is, therefore, not of assistance to the Complainant.

The Respondent did, however, note that his review of this assessment demonstrated that, as at the effective date for valuation, the sales the City used to value the land component of the assessment did not support the land value assessment at \$511,121 per acre. These sales did, however, support a land value of \$400,000 per acre and the assessor recommended the assessed value be amended to reflect this change (in land value only) for an amended total assessment of \$1,407,000. The assessor advised he had relayed this proposal to the Complainant on September 27, 2010, but had received no response.

FINDING

The assessor is required to assess the fee simple interest in this property.

DECISION

The assessment is amended to a valuation of \$1,407,000.

REASONS FOR THE DECISION

The provisions of section 304(1)(e) of the *Municipal Government Act* clearly direct the assessment of the fee simple interest in the property.

The sales presented by the Respondent support a valuation of land at \$400,000/acre and the recommended amendment by the assessor is appropriate and fair.

DISSENTING OPINION AND REASONS

Dated this twenty-sixth 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
City of Edmonton, Asset Management & Public Works