



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 310/10

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 19, 2010 respecting a complaint for:

Roll Number 10127345	Municipal Address 12464 153 Street NW	Legal Description Plan: 0823418 Block: A Lot: 30
Assessed Value \$13,610,000	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Jack Schmidt, Presiding Officer
Howard Worrell, Board Member
Petra Hagemann, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

David Fu, Agent
Altus Group Ltd.

Persons Appearing: Respondent

Richard Fraser, Assessor
Assessment and Taxation Branch

Observers:

Shelly Milligan, Assessor
Keivan Navidikasmaei, Assessor

PRELIMINARY MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the Board's composition and Board Members expressed no bias with respect to this roll.

ISSUE(S)

Is the land value in the assessment too high?

LEGISLATION

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

- s. 289(2)(a) Each assessment must reflect the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and
- 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

The subject property, a casino located at 12464- 153 Street in the Gagnon Estate Industrial subdivision, comprises a lot size of approximately 6.152 acres or 267,995 sq. ft. and is a Special-Use Property Type zoned DC2.

As a Special-Use Property Type, the assessment is based upon the cost approach to market value. This method of determining market value is not at issue.

COMPLAINANT'S POSITION

The Complainant confirmed that the improvement value of the assessment was not in dispute.

The Complainant submitted four land sales comparables (C1, pg. 8) to demonstrate that the subject's land assessment was excessive when compared to similar properties. These sales comparables had an average, time-adjusted sale price of \$10.84/sq. ft. compared to the subject's assessment of \$16.61/sq. ft.

The Complainant submitted that the assessor has chosen to value the land as commercial property. However when the neighborhood is considered, the land should have been assessed as industrial land. If the DC2 zoning were to be removed, then this site should revert back to an industrial use.

The Complainant stated that the subject property is located in the middle of an industrial area with no direct access to a major arterial roadway. This would be a negative influence on its value.

In exhibit C1, the Complainant also provided excerpts from Edmonton Zoning Bylaw #12800, diagrams, and a photograph of the subject property for illustrative purposes, as well as *Network* data sheets related to the land sales comparables.

The Complainant requested that the revised land value of \$2,905,078 be added to the assessed improvement value at \$9,158,822 to reduce the total 2010 assessment from \$13,610,000 to \$12,063,500 (C1, pg.9).

RESPONDENT'S POSITION

The Respondent, having used the Special-Use Property Type assessment model, maintained that the subject property had been fairly and equitably assessed. The Respondent explained that special-use properties are assessed using the cost approach to value.

Five land sales comparables (R1, pg. 22) were provided with supporting *Network* and other data sales sheets (R1, pgs. 23-27) to support the subject land value at \$16.61/sq. ft. and to show it was within the range of \$15.07 to \$22.75/sq. ft. of these average time-adjusted sale prices.

The Respondent stated that the original zoning IM on the land would not allow for casino development. Subsequently, the subject property was re-zoned to site-specific direct control (DC2). To fairly determine the subject's land assessment value based on its permitted uses, the equivalent value of CB2 land was applied. This effectively resulted in the assessor placing an equivalent CB2 zoning for the subject property.

Furthermore, the Respondent argued that IM and IB zoning would not allow for casino use; therefore, the comparables submitted by the Complainant should be given little weight.

The Respondent requested that the 2010 assessment of \$13,610,000 be confirmed.

FINDINGS

The land value component of the assessment is not too high.

DECISION

The decision of the Board is to deny the complaint.

REASONS FOR THE DECISION

Having considered the evidence, argument, and facts presented, the following reasons are provided.

With respect to the issue of access, it was argued that while it may have a negative impact on the property value, no evidence was presented to support this argument. The Board, therefore, dismissed this issue.

The Complainant submitted that the land would revert to industrial use land if it were vacant and, therefore, should be assessed as IM zoned land. The Respondent argued that the Complainant's submission on this matter is merely speculative. When regard is given to section 289 of the *Municipal Government Act*, there can be no doubt the assessment must reflect the characteristics

and physical condition of the property as of December 31 of the assessment year. In this case, the subject land assessment does reflect the current zoning as of December 31, 2009. Therefore, the Board can not accept the Complainant's position on this issue.

The Complainant's IB and IM zoned sales comparables were dissimilar with respect to permitted use in relation to the subject property and, therefore, the Board placed less weight on them (C1, pg. 8). The Board was satisfied that the Respondent's sales comparables were most similar to the subject with respect to zoning and land use and, in this case, should be used in determining land value (R1, pg. 22).

The Board is satisfied that the land value at \$4,451,210 (equating to \$16.61/sq. ft.) is not overstated and confirms the total 2010 assessment at \$13,610,000.

DISSENTING DECISION AND REASONS

There were no dissenting decisions/reasons.

Dated this twenty-seventh 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
Sunalta Bingo Ltd.