



## 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 350/10

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><br>8636250        | <b>Municipal Address</b><br>10020 56 Avenue NW | <b>Legal Description</b><br>Plan: 6712KS Block: 14 Lot: 4 |
| <b>Assessed Value</b><br>\$7,655,500 | <b>Assessment Type</b><br>Annual New           | <b>Assessment Notice for:</b><br>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 two issues as stated in the "Objectives" of his written submission would be addressed. The issues are restated as follows:

1. Sales of similar land would indicate a lower value than the current assessment.
2. The improvement value of the crane should not be assessed as an improvement but as machinery and equipment.

## **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 Coronet Industrial subdivision, the commercial subject property zoned IH, comprises a land area of approximately 398,062 square feet (SF) and contains several improvements. A large manufacturing plant operates on-site; site coverage is approximately 18%.

The subject is considered a “special purpose” 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.

### **With respect to Issue 1:**

The Complainant submitted a chart of six 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 \$10.06, whereas the subject is currently assessed at \$13.06 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 \$4,005,932.

In considering the land sales comparables of the Respondent together with his own, the Complainant suggested that the Respondent’s reconsideration of the subject’s land value to \$11.00 per SF (see Respondent’s position), would be supported by the average of his sales comparables and the two lowest time-adjusted sales prices per SF of the Respondent’s comparables.

### **With respect to Issue 2:**

The Complainant believes that a crane on the subject property should not be assessed as part of the building, but should be assessed separately as machinery and equipment and, therefore, removed from the assessment.

The Complainant concluded his presentation by requesting that the 2010 assessment be reduced to \$6,434,500. This requested value is derived by reducing the land value to the \$4,005,932 calculated under issue 1 and removing the \$28,318 assessment for the crane.

## **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.

### **With respect to Issue 1:**

The Respondent submitted a chart of four land sales comparables to demonstrate that the sales of similar parcels support the current assessment of the subject. The four comparable land sales' time-adjusted sale prices per SF ranged from \$12.37 per SF to \$15.54 per SF.

In considering the land sales comparables of the Complainant together with his own, the Respondent suggested that it may be reasonable to apply an \$11.00 per SF assessment for the land.

### **With respect to Issue 2:**

The Respondent suggested that the crane does add value to this special purpose building. The crane is not part of a process which is involved in the creation of a final product, but is in fact part of the building and therefore should be assessed.

## **DECISION**

The decision of the CARB is to revise the assessment to \$6,835,500.

## **REASONS FOR THE DECISION**

### **With respect to Issue 1:**

In considering the land sales comparables of both parties, the CARB is satisfied that \$11.00 per SF of land is a reasonable approximation of land value for the subject. Both the Complainant and the Respondent were in agreement to a revised land value using a rate of \$11.00 per SF. Applying this rate to the total land area would calculate a land value of \$4,378,682.

### **With respect to Issue 2:**

The CARB accepts the Respondent's position that the crane does, indeed, add value to the building. The nature of this special-purpose building requires a cost approach to value and, accordingly, all improvements must be valued regardless of their marketability.

## **DISSENTING DECISION AND REASONS**

There was no dissenting decision.

Dated this twenty-seventh 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  
Canadian Liquid Air Ltd.