



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION 0098 365/10

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 20, 2010 respecting a complaint for:

Roll Number 9984373	Municipal Address 1704 88 St. SW	Legal Description Plan: 0023924 Block: 4 Lot: 1
Assessed Value \$4,507,500	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

Chris Buchanan, Agent
Senior Consultant, Altus Group Ltd.

Persons Appearing: Respondent

Shelley Milligan, Assessor
Jerry Sumka, Assessor

PRELIMINARY MATTERS

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

ISSUE(S)

Is the subject parcel of land assessed too high?

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 Summerside subdivision, the subject property, comprising approximately 41.399 acres and zoned US, is a commercial property: clubs-private. Of the total acreage, approximately 29.72 acres are covered by water.

COMPLAINANT'S POSITION

The Complainant submitted that the subject property is an amenity to the Summerside subdivision which is parkland containing: a clubhouse, tennis courts, a lake, and a beach. The subject property has a total of 41.399 acres; however, only 11.68 acres is land as a lake covers the remaining 29.72 acres. The land area of 11.68 acres should be assessed at the parkland rate of \$30.00/sq. m., \$2.79/sq. ft., or \$121,406/acre for the land value of \$1,418,018 (C-1, pg 10).

It was submitted pursuant to section 298 of the *Municipal Government Act* (MGA) that no assessment is to be prepared for the area of land covered by the man-made lake comprising of 29.72 acres.

In summary, the Complainant requested that the land value be reduced from \$3,605,461 to \$1,418,018 based on the parkland rate of \$2.79/sq. ft. for the 11.68 acres (C-1, pg 10). By adding the land value of \$1,418,018 to the improvement value of \$902,280 a revised assessment of \$2,320,000 is requested.

RESPONDENT'S POSITION

The Respondent, having used the commercial/industrial (special-use) assessment model, maintains that the subject property has been fairly and equitably assessed. The Respondent explained that special-use properties are assessed using the cost approach to value (R2).

The Respondent argued that section 298 of the MGA does not include the prohibition of assessing the subject body of water. In this case, the 41.399 acre parcel was assessed at \$2.00/sq ft. (R-1, pgs. 4; 8) for a total land value of \$3,605,461.

To support the assessment the Respondent submitted three land sales comparables (R-1, pg 8) ranging from \$1.13/sq. ft. to 8.83/sq. ft.

The Respondent requested that the 2010 assessment of \$4,507,500 be confirmed.

DECISION

The decision of the Board is to deny the complaint.

REASONS FOR THE DECISION

Having given careful consideration to the evidence, argument, and fact which came forward in this case, the following reasons are provided:

Firstly, the Board accepts the Respondent's position that there is no provision to exclude the assessment of the body of water on the subject property. Although the 29.72 acres are not developable for traditional uses, for example, housing, etc., the fact is, it has been developed as a body of water for recreational purposes and, therefore, has value.

The two comparables supplied by the Complainant were assessed values for Public Utility lots (C-1, pgs. 18-20) in support of the \$30/sq. m. rate for the land assessment (11.68 acres) of the subject property. The evidence (C-1, pgs. 21-101) is that the subject parcel of land is not available for public use and, therefore, not comparable to either public parkland or public utility lots.

The Respondent provided three sale transactions of vacant land, none of which were of a similar size, have similar uses as the subject nor did they contain a lake and, therefore, are not considered comparable to the subject property.

In the absence of compelling evidence to support a reduction in the assessment, the Board accepts the assessed value of \$2.00/sq. ft. for the subject parcel of land being 41.399 acres for a total assessed value for the land portion of \$3,605,461. When this is added to the value of the improvements of \$902,279 the property assessment of \$4,507,500 (rounded) is confirmed.

DISSENTING DECISION AND REASONS

There were no dissenting decisions/reasons.

Dated this twenty-ninth 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
Carma Ltd.