



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
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NOTICE OF DECISION 0098 612/10

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 November 22, 2010 respecting a complaint for:

Roll Number 3194131	Municipal Address 12727 97 St. NW	Legal Description Plan: 3907AH Block: 8 Lots: 12-15
Assessed Value \$774,000	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Tom Eapen, Board Member
John Braim, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

Chris Buchanan, Agent
Altus Group Ltd.

Persons Appearing: Respondent

John Ball, Assessor
Assessment and Taxation Branch

PROCEDURAL MATTERS

The parties expressed no objection as to the composition of the CARB; Board Members expressed no bias toward this or any of the other accounts appearing on the agenda. The parties were placed under oath/affirmation.

BACKGROUND

The subject property, located in the Killarney subdivision is one of several buildings of the Plaza 97 neighbourhood shopping centre. Built in 1986, it is a gas bar/convenience store approximately 2,719 ft² in size with a net leasable area of 2,400 ft².

ISSUES

1. Is the assessment of the subject property in excess of its market value for assessment purposes?
2. Has the Respondent (City of Edmonton) used an incorrect size?

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.*

POSITION OF THE COMPLAINANT

The Complainant argues that the net leasable area of 2,400 ft² should be used in calculating the assessment rather than the gross area and applying a 97% factor to arrive at the main floor net area of 2,637 ft² (2,719 ft² at 97%).

Further, the Complainant argues that the calculation of vacancy is in error. The correct value should be \$57,639 rather than the value indicated on the current assessment record of \$59,421 (C1, pg. 8).

The Complainant claims that this is a correction of math and that the issue of an assessment requested value of less than five percent should be corrected as a mathematical error.

POSITION OF THE RESPONDENT

The Respondent argues that the gross area of the building is 2,719 ft² and applying 97% is a standard practice applied by the Respondent throughout Edmonton – assessing only the leasable area, as per a lease is not consistent nor does it reflect the correct area.

In regard to the calculation error of the building, the Respondent is of the view this falls to the five percent plus/minus adjustment and need not be recalculated.

DECISION

The decision of the Board is to reduce the 2010 assessment from \$774,000 to \$752,000 (rounded).

REASONS FOR THE DECISION

The Board noted that the City of Edmonton's practice is to use 97% of the gross area to determine a consistent net leasable area. The Board agrees that in regard to the subject property this is the appropriate method. The Board is of the opinion that the vacancy calculation is a mathematical error which should be corrected. The Board believes the five percent benchmark was not intended to correct mathematical errors.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this tenth day of December, 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
CU Real Property (4) Ltd.
CU (4) GP Inc.