



## ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL  
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### NOTICE OF DECISION NO. 0098 621/10

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 hearings held November 29, 2010 respecting the 2010 annual new assessment complaints for:

<b>Roll Number</b> 3042843	<b>Municipal Address</b> 6614 – 127 Avenue NW	<b>Legal Description</b> Plan: 5435V Block: 1 Lots: 10 - 12
<b>Assessed Value</b> \$861,000	<b>Assessment Type</b> Annual New	<b>Assessment Notice for:</b> 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**

Steve Lutes, Solicitor  
Peter Bubula, Assessor

#### **Observer:**

Chris Rumsey, Assessor

### **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 providing evidence were either sworn-in/affirmed.

## **PRELIMINARY MATTER**

A preliminary issue was raised by the Respondent (exhibit R1), relating to disclosure under (inapplicable) section 5(1) of *Matters Relating To Assessment Complaints Regulation AR 310/2009* (“MRAC”).

The Respondent maintained that the Complainant had not disclosed a double assessment issue, where the value of the adjacent parking lot should be deducted from the 2010 assessment of the subject property, either in the complaint form or in the Schedule of Issues which were included in the Complainant’s disclosure documents.

The Board recessed and reviewed the Complainant’s Issues and Objectives (C1, pgs. 4-5). On resumption, the Board informed the parties as follows: “The Board is of the view that the issue of double assessment is implicit in the overall issue of market value for the subject.” This ruling was undertaken as per section 9(1) of MRAC.

## **BACKGROUND**

The subject property is located in the Balwin subdivision and comprises a single storey neighbourhood shopping centre known as Plaza 66. The building contains 16,867 ft<sup>2</sup> and is located on a 19,481 ft<sup>2</sup> parcel of land. It comprises three lots (lots 10, 11, and 12) in a group of seven lots that are included under the same title, and form a compact parcel. The subject parcels are zoned CB2 and have a site coverage ratio of over 86%. Parking facilities are provided on three of the adjoining parcels are under the same title.

## **ISSUES**

1. Is the assessment of the subject property in excess of its market value for assessment purposes?
2. Is the assessment equitable with other comparable properties?
3. Has the vacancy shortfall been calculated correctly?

## **LEGISLATION**

The *Matters Relating To Assessment Complaints Regulation AR 310/2009* (“MRAC”).

*s. 9(1) A composite assessment review board must not hear any matter in support of an issue that is not identified on the complaint form.*

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 maintains the subject property had been assessed using the income approach to value but has no parking within the boundaries of the three parcels. Parking for the subject property is provided by an adjoining three parcels and a closed lane. In addition all seven parcels are all on one title and are tied together both legally and functionally. The Complainant also maintained the subject property would not be able to achieve “typical” market rents without the benefit of the adjacent parking lots.

The Complainant provided a 2010 assessment (C1, pg. 17) for roll #3024197 demonstrating that the value of the parking lots was deducted by the Respondent in a similar situation.

With regard to the vacancy shortfall issue, the Complainant indicated the Respondent had made a mathematical error in the calculation.

## **POSITION OF THE RESPONDENT**

The position of the Respondent is that the subject property had been assessed correctly and that lot 9 is not tied to the subject property in any way as there is no caveat on title (R2, pg. 25). The Respondent’s argued that the two other lots situated directly north of lot 9 (lots 7 and 8) are utilized as parking for the subject property.

With regard to the vacancy shortfall issue, the Respondent maintained there was no error, but the calculation was based on the net leasable area and not the gross area as the Complainant had calculated.

## **DECISION**

The decision of the Board is to confirm the 2010 assessment of \$861,000.

## **REASONS FOR THE DECISION**

1. The Board noted there was no evidence or argument from either party with regard to the lease rate or the capitalization rate (cap rate).
2. The Board was persuaded by the evidence and argument of the Complainant that the “typical” market rent for the subject property could not be achieved without adequate parking facilities. The subject property has a very high site coverage ratio resulting in a requirement for off-site parking. The Board considers street parking would be totally

inadequate to satisfy the parking needs of the building and the adjoining parcels appear to satisfy this need both from a feasibility point of view and also as a planning requirement.

3. The Board was persuaded by the evidence of the Complainant that the assessment value of the adjoining parking parcels would be captured in the value of the subject retail building.
4. The Board accepts the argument the subject property could legally be separated from the adjoining parking parcels, but considers it would be unwise to do so as the lack of adequate parking for the subject site would be a major deterrent to a prospective purchaser.
5. With regard to the vacancy shortfall the Board was persuaded by the calculation of the Respondent from the net leasable area as opposed to the gross area, as applied by the Complainant.

### **DISSENTING OPINION AND REASONS**

There were no dissenting opinions.

Dated this ninth day of December, 2010 A.D., at the City of Edmonton, in the Province of Alberta.

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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.*

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CC: Municipal Government Board  
City of Edmonton, Assessment and Taxation Branch  
Mediplex Western Ltd.