



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
1 SIR WINSTON CHURCHILL SQUARE
EDMONTON, ALBERTA T5J 2R7
(780) 496-5026 FAX (780) 496-8199

July 21, 2010

NOTICE OF DECISION NO. 0098 82/10

Altus Group
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 July 19, 2010 respecting a complaint for:

| | | |
|---------------------------------------|--|--|
| Roll Number 10095568 | Municipal Address 12620 184 Street | Legal Description Plan: 10095568, Block: 1, Lot: 7 |
| Assessed Value \$19,340,500 | Assessment Type Annual New | Assessment Notice For: 2010 |

Before:

Patricia Mowbery, Presiding Officer
Brian Carbol, Board Member
Francis Ng, Board Member

Alison Mazoff, Board Officer

Persons Appearing: Complainant
John Trelford

Persons Appearing: Respondent
Gordon Petrunik, Assessor
Rebecca Ratti, Lawyer

PRELIMINARY MATTERS

Issues

1. The Complainant raised, as a preliminary matter, the late disclosure of evidence by the Respondent. The Respondent delivered its evidence to the Complainant one day late (sec. 9 310/2009 Alta). The Complainant's brief concerning this issue was admitted to evidence as C1.
2. The Complainant raised the issue of bias because he had called the Assessment Review Board (ARB) to see if the ARB had a copy of the missing Respondent's disclosure. A day later, the disclosure arrived at the Complainant's office, and it is alleged that the ARB called the assessor's office. The Complainant submitted that he had specifically asked the ARB not to inform the assessor.

3. The Complainant raised the issue that the Respondent did not provide a clear or concise summary of the evidence disclosed.

Decision

1. The decision of the Board is to proceed with the merit hearing and include the Respondent's evidence.
2. The opinion of the Board is that there is no evidence of bias.
3. The decision of the Board is that the appropriate weight will be given to evidence submitted to both parties during the hearing and will be reflected in the decision.

Reasons

1. The Board noted the evidence was delivered only one day late, and the Respondent indicated that it was in error, as a grouping of files were delivered on time. It is apparent to the Board that the evidence package was prepared and ready for delivery, but, in error the file had been missed. The Board found there was no intent to disadvantage the Complainant.
2. The Board understands the responsibility of administration, and there is no apparent evidence to support a claim of bias.
3. It is the responsibility of both parties to submit sufficient evidence to which the other party can respond.

Background

The subject property is undeveloped land, zoned IM (Medium Industrial) with an area of 3,124,730 square feet, or 71.74 acres located between the Anthony Henday Drive Freeway and the CN Intermodal Yards in the Kinokamau Industrial Area.

ISSUES

1. Is the subject property assessed fairly and equitably?
2. Is the assessment value of the subject property supported by the market value of similar properties?

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 position of the complainant is that if the sales of similar properties indicate a lower market value, or if the assessment of similar properties indicate a lower equity value, the subject property should be valued at the lower end of the range. The Complainant argued the market value using a direct sales comparison approach to value. The Complainant is requesting a reduced 2010 assessment of \$3.08 per square foot, or \$9,609,500.

POSITION OF THE RESPONDENT

The Respondent indicated that properties are assessed using an industrial land model that adjusts for attributes that impact market value, in order to arrive at a typical market value for properties in these classes. These values are based on the direct sales comparison approach to value, effective on the valuation date of July 1, 2009. The Respondent by legislation must value properties by mass appraisal, that reflect typical market conditions for properties similar to the subject property (s.293(1) *Municipal Government Act*). It is the Respondent's position that the assessment reflects the correct value for the property using mass appraisal methods.

FINDINGS

1. The direct sales comparison approach was used by both parties to establish market values of vacant land.

DECISION

The decision of the Board is to confirm the 2010 assessment of \$19,034,500.

REASONS FOR THE DECISION

1. The Board reviewed the evidence of the Complainant (admitted as C2) and the Respondent (admitted as R2) and places greater weight on the Respondent's sales comparables, as they are located closest to the subject.

2. The Board notes the Respondent's sales comparable #1 is located in the White Industrial (R1, P.22), directly South of the subject, with Anthony Henday Drive directly to the West. The Board notes that sales comparable #2 is located in the same industrial area, Kinokamau Plains (R1, P.22), adjacent to the CN Intermodal Yard.

3. The Board noted that the Respondent's sales comparable #1 (R1, P.22) has a time adjusted sales price of \$8.74 per square foot, and comparable sale number #2 (R1, P.22) has a time adjusted sale price of \$6.12 per square foot. The 2010 assessment for the subject property is \$6.09 per square foot. This indicates to the Board that those comparable properties South of the subject property are valued at a higher rate per square foot than those sales comparables located North of the subject property.

4. The Board notes that the Complainant's comparable sales, (C2, P.8), are located in Mistatim Industrial area, North of the subject. The Board considers this to be a less developed industrial park area, and the location is reflected in the 2010 time adjusted sales prices ranging between \$4.08 per square foot to \$4.31 per square foot.

5. The Board finds the 2010 assessment of \$6.09 per square foot or \$19,034,500 is fair and equitable.

DISSENTING DECISION AND REASONS

There are no dissenting decisions or reasons.

Dated this 21st day of July, 2010 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: MGB

CC: Hopewell Northwest (EDM) Development INC..