

July 21, 2011

**NOTICE OF DECISION
CARB 0302 - 18 /2011**

Altus Group Ltd.
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Strathcona County
Assessment and Taxation
2001 Sherwood Drive
Sherwood Park, AB T8A 3W7

This is a decision of the Composite Assessment Review Board from a hearing held on June 21, 2011 regarding a complaint for:

Hearing #	Appellant/Owner	Property Description	Roll #	Assessed Value
C2011-23	Trimac Transportation Services Inc.	Lot 13, Block 1, Plan 0625013 SE 30-53-23-W4 226 Petroleum Way (Strathmoor Industrial Park)	3309511304	6,530,000

Before:

Tom Robert, Presiding Officer
Susan Paul, Board Member
Ryan Bosch, Board Member

Persons Appearing: Complainant

Stephen Cook, Altus Group
Walid Melhem, Altus Group

Persons Appearing: Respondent

George Cosens, Manager, Assessment
Jeff McKinnon, Manager, Assessment,

PRELIMINARY MATTERS

There were no objections to the composition of the Board or the process to be followed as outlined by the Presiding Officer.

The Respondent had requested that the respondent evidence before the Board be held in confidence due to the content of privileged information and as such the board has agreed to seal the evidence as requested.

BACKGROUND

The subject property is a single tenant office, and transportation yard, categorized as "medium industrial". The property consists of 12.06 acres with an 8,917 ft² building built in 1999, located at 226 Petroleum Way.

ISSUES

1. What is the depreciation on the fence, gate and paving of the subject?
2. What is the market value of the land?

POSITION OF THE COMPLAINANT

The Complainant argues that the Marshall and Swift manual used in arriving at value should be used consistently in determining depreciation. The depreciation on fence, gate and paving should be at 45% resulting in a value of \$1,886,237 not the current value of \$1,908,577, for improvements.

The Complainant presented five land sales comparables ranging in value from \$6.23 to \$10.67 with an average of \$8.98 and a medium of \$9.39 (requesting \$6.25 psf) in support of a land value of \$3,283,338.

The total requested value is \$5,169,500 for land and improvements, based on the evidence presented. In support the Complainant argued from the comparable information that industrial lands are decreasing, as shown from 2008 at \$9.39; 2009 at \$8.98; and 2010 at \$6.23 per acre.

POSITION OF THE RESPONDENT

The Respondent argues that there is no regulated method in determining depreciation or value, the requirement in market value.

The Respondent presented three direct sales comparables to support the current value. The comparables range from 98.00 to \$159.00 psf.

The Respondent presented sales from 2008 with the same industrial part with an average of \$9.63 psf. One of the sales at 14.01 acres, of similar size to the subject at 12.06 acres, sold in September 2008 for \$8.95 psf.

Further, the Respondent presented five sales in 2009 with an average of \$10.41 psf and one sale in 2010 at \$11.36 psf. The Respondent argued from the evidence of sales from the three years indicates industrial lands in the vicinity of the subject are increasing.

The Respondent further argues that the sale of \$6.23 psf as presented by the Complainant is severely disadvantaged by a pipeline right-of-way and severe topographical issues.

DECISION

The decision of the Board is to confirm the current assessment of the subject property at \$6,530,000.


REASONS FOR THE DECISION

The Board is of the opinion that the depreciation as calculated on the gate, fence and paving is consistent with other similar properties within the municipality with insufficient evidence presented by the parties. In this regard the Board confirms the improvement assessment of \$1,908,577.

In regard to the issue of land value, the board accepts the evidence of the Respondent in regard to the sale presented by the Complainant regarding the sale at 90th Avenue and 14th Street at \$6.23 as being severely impacted by the pipeline right-of-way and topography thus removing the sale from the comparability.

The balance of the Complainant sales as well as those of the Respondent support a value of \$8.80 psf for land.

Dated this 21st day of July, 2011 at Strathcona County, in the Province of Alberta.


Tom Robert
Presiding Officer

Documents Received and Considered by the Board

1. Exhibit 1-C Complainant Disclosure filed May 9, 2011
2. Exhibit 2-R Respondents Disclosure filed June 6, 2011

Section 470(1) of the Municipal Government Act, RSA 2000, c.M-26 provides you the right to appeal this decision to the Court of Queens Bench on a question of law or jurisdiction. You must make your appeal within 30 days after you receive this notice of decision.

Copy to: Municipal Government Board