



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 617/10

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:

Roll Number 9954253	Municipal Address 12718 - 66 STREET NW	Legal Description Plan: 5435V Block: 1 Lots: 5-6
Assessed Value \$1,760,500	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

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 reminded they were either sworn-in/affirmed. The parties agreed to bring forward applicable common questions, argument, and evidence from roll #3042843.

BACKGROUND

The subject property comprises a two storey office building known as Plaza 66 and is located in the Balwin subdivision. The building was constructed in 1983 and contains a gross area of 13,578 ft² and is located on a 12,277 ft² parcel of land. It comprises two lots (lots 5 and 6) and is zoned CB2. Parking facilities are provided on three of the adjoining parcels under separate 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. Should the assessment value of the parking be deducted as it is on a different roll number?

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 maintained the subject property had been assessed using the income approach to value but has no parking within the boundaries of the two parcels. Parking for the subject property is provided by the adjoining three parcels, plus a closed lane, located adjoining the south side of the subject property. The Complainant also maintains the subject property would not be able to achieve “typical” market rents without the benefit of the adjacent parking lots (lots 7 & 8).

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 and requested the assessed value of the three parking lots be deducted from the assessment of the subject property.

POSITION OF THE RESPONDENT

The position of the Respondent is that the subject property had been assessed correctly by the income approach and that the two lots (7 and 8) are not tied to the subject property in any way as

there is no caveat on title (R1, pg. 75). The Respondent argued that the subject property has angle parking to the east side and also has the benefit of street parking.

The Respondent further stated the subject property has been grandfathered under the Edmonton Land Use Bylaw 12800 (effective June 14, 2001) and is not subject to it unless the building is damaged or destroyed by fire to at least 75% of the value of the building.

DECISION

The decision of the Board is to confirm the 2010 assessment of \$1,760,500.

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 both the onsite angle parking and the street parking would be totally inadequate to satisfy the parking needs of the building. The adjoining parcels to the south appear to satisfy this need both from a feasibility point of view and also as a future planning requirement in the event of a substantial loss.
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. Furthermore, the Board is of the opinion the rental rate of the subject property would be lower than typical if the parking on the adjoining property were not available.
4. The Board noted the subject property and the adjoining parking (lots 7 and 8) are in the same ownership but under separate title. The Board is aware that the adjoining parking lots have been reduced to a nominal value in connection with other appeals presented under the same agenda.

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.

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
Mediplex Western Ltd.