

**CITY OF AIRDRIE
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

Sierra Springs Shopping Centre Ltd.
(as represented by Colliers International Valuation & Advisory Services), COMPLAINANT

and

The City Of Airdrie, RESPONDENT

before:

J. Acker, PRESIDING OFFICER
D. Oneil, MEMBER
J. Ward, MEMBER

This is a complaint to the Airdrie Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Airdrie and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	849222
LOCATION ADDRESS:	2800 Main Street SW
HEARING NUMBER:	0003 03/2012
ASSESSMENT:	\$ 3,269,100

This complaint was heard on 8th day of August 2012 at the Council chambers located in the City of Airdrie offices at 400 Main Street, Airdrie, Alberta.

Appeared on behalf of the Complainant:

- G. Jobagy, *Colliers Macaulay Nicolls Inc.*

Appeared on behalf of the Respondent:

- G. Beierle, City of Airdrie
- V. Cottreau

Board's Decision in Respect of Procedural or Jurisdictional Matters:

1. No procedural or jurisdictional matters were raised by either of the parties.

Property Description:

2. The subject property is a commercial, retail use parcel consisting of 2.98 acres that is zoned C-3. An improvement – purpose built for the Alberta Treasury Branch - located on the property is currently under construction and is 80% complete. It has been assessed using the replacement cost approach to value

Issues:

3. The land value attributed to this property is in excess of that applied to similar properties in the City of Airdrie.

Complainant's Requested Value: **\$ 2,802,000**

Board's Decision in Respect of Each Matter or Issue:

4. In support of the Complainant's request for a reduced assessed value on the vacant land value attributed to the subject property, six sales comparables were submitted that transacted between June 2010 and March 2011. These properties indicated an average value of \$450,000 and ranged in price from \$400,000 to \$494,620 per acre.
5. The subject property is assessed at \$609,000 per acre.
6. The Respondent provided detail on the methodology taken by the assessor in using the direct sales comparison approach to value for the land and a replacement cost approach to value for the improvements. In support of the land value applied, the Respondent provided 5 sales comparables that transacted between March 2010 and May 2011. These sales indicated an average value of \$735,018 per acre. The Respondent indicated that the best comparable would be that located at 2820 Main Street SE. This property sold in January 2011 for \$1,100,308 per acre. Although it is less than 1/3 the size of the subject, it is identically zoned as C-3 and is adjacent to the subject. The Respondent argued that the size differential in the properties is reflected in the discounted value per acre of \$609,000 applied by the assessor.
7. The Complainant provided rebuttal to the comparable properties advanced by the Respondent and noted that only one of the properties, 77 Gateway Drive NE was comparable in

size at 4.48 acres and it sold for \$415,756 per acre in May 2011. The only other property over one acre in size, 44 Gateway Drive NE (1.07 acres) sold for \$453,271 in June 2010. He argued that the economy of scale applied to larger parcels is clearly in evidence - even in the Respondent's evidence - and that the assessment on the subject does not demonstrate a similar reduction in assessed value.

8. The Board considered the evidence and argument advanced by the parties and reached the following findings:

- a. All of the Complainant's comparables were IB1 or DC with IB1 guidelines with the exception of 2525 Chinook Winds Drive SW which was zoned P-1. The subject is zoned C-3.
- b. The key difference in IB1 zoning to C-3 is that it does not allow retail sales developments within that zoning classification while C-3 clearly does provide for that use.
- c. The two properties rebutted by the Complainant in the Respondent's evidence; 44 Gateway Drive NE and 77 Gateway Drive NE were zoned DC-IB1 and CMU (Commercial Mixed Use) respectively. The CMU zoning provides for mixed commercial and residential uses.
- d. The adjacent property at 2820 Main Street SE is .9 acres in size and is zoned C-3, the same as the subject property.

9. Having made the above noted findings, the Board concluded that there is a clearly defined difference in value between properties zoned C-3 and those otherwise classified under IB1 guidelines. Accordingly, those comparables advanced by each of the parties that were not similarly classified by land use to the subject were given little weight.

10. Having no sales comparables similar to the subject, the Complainant's argument was not persuasive and the Board will therefore not disturb the assessment as rendered.

Board's Decision:

The complaint is dismissed and the assessment is confirmed at \$3,269,100.

DATED AT THE CITY OF CALGARY THIS 13th DAY OF August, 2012.



J. Acker
Presiding Officer

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other Property	Vacant Land	Land Value	Sales Comparables

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.

Any of the following may appeal the decision of an assessment review board:

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to

- (a) the assessment review board, and*
- (b) any other persons as the judge directs.*