

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

between:

CVG Canadian Valuation Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J.P. Acker, PRESIDING OFFICER

K. Coolidge, MEMBER

E. Reuther, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	067068205
LOCATION ADDRESS:	1001 – 7 Ave SW
HEARING NUMBER:	57241
ASSESSMENT:	2,600,000

This complaint was heard on 26 day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *J. David Sheridan*

Appeared on behalf of the Respondent:

- *Dorian Thistle*

Property Description:

The subject is a corner lot, improved with a surface parking lot facing on the 7th avenue transit corridor and flanked by 9th Street SW. vehicular access is restricted to laneway access only.

Issues:

1. Property Size limits developability
2. Access/egress issues constrain future uses

Complainant's Requested Value: \$2,270,000

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

1. **Parcel Size** – the subject parcel size of 13,017 /ft² limits the ability to fully realize the development potential for this property. Although the land uses permitted suggest high density development, the market realities of construction cost and approach introduce limitations that cannot be economically overcome. The complainant argued that a FAR (Floor Area Ratio) of 7.0 is the practical limit to the subjects development potential. He provided comparable land sales demonstrating various FAR scenarios that produced an average land value of \$206 /ft² He requested a value of \$175 /ft² for a total assessment of \$ 2,270,000.

The respondent applied a base rate of \$200 /ft² to the subject and then applied influence adjustments which cancelled each other out to maintain the base rate producing the assessment of \$2,600,000. The base rate applied was derived from vacant land studies for the subject parcel's market area.

The Board determined that both the Complainant and the City had arrived at the same base land value. The range of uses permitted under the bylaw did not restrict the development of the subject to only office development which was the focus of the Complainant's argument for diminished use. Accordingly, the Board accepts the \$200 /ft² applied value.

2. **Access/Egress Issues** - Both parties submitted copies of Direct Control District Bylaw 99D2008 which set out Permitted and Discretionary uses, Access and Setback conditions affecting the subject. S.13 of the bylaw permits no vehicular access to the subject from 7

Avenue or from 9 St W thus limiting access/egress to the subject only from the laneway to the rear of the subject located on 7 Avenue. S14 applies a further condition *No building or structure shall be permitted within the 2.134 m bylawed setback of 7 Avenue S. and 9 Street W, or within a 3 m corner cut at the intersection of 7 Avenue S. and 9 St. W. The owner will be requested to dedicate the setback at the time of application for a development permit.*"

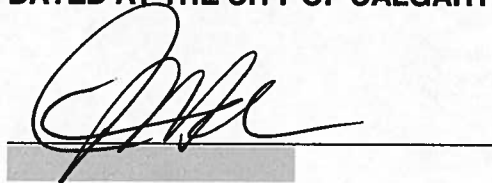
The parties agreed that the calculation of this setback would remove 1562 square feet from the 13,017 sq ft subject when developed. This approximates 12% of the subject area.

The Board notes that the City provides an adjustment factor of 15% reduction on irregularly shaped parcels in their calculation of land value and this was not applied to the subject. Accordingly, the Board determined that a 12% reduction in parcel size should be applied in the calculation of land value, producing a value for assessment purposes of \$2,291,000 (rounded).

Board's Decision:

The appeal is allowed and the assessment is set at \$2,291,000

DATED AT THE CITY OF CALGARY THIS 5th DAY OF Aug, 2010.



Presiding Officer

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.*