

**CALGARY
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-26.1, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER

J. Rankin, MEMBER

A. Zindler, MEMBER

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

ROLL NUMBER: **Refer to Appendix "A"**

LOCATION ADDRESS: **Refer to Appendix "A"**

HEARING NUMBER: **Refer to Appendix "A"**

ASSESSMENT: **Refer to Appendix "A"**

This complaint was heard on the 10th day of August, 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:

- *D. Genereux, Altus Group Ltd.*
- *G. Worsley, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *D. Thistle, City of Calgary*

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

There were no Procedural or Jurisdictional Matters

Property Description:

There are fourteen individual roll numbers under complaint that encompass one complete block of land in the downtown core between 2nd Avenue and 3rd Avenue and between 2nd Street and 3rd Street. The combined parcels contain three buildings: Century Square 2, Century Square 3 and the Old Spaghetti Factory.

Issues:

Is the land correctly and equitably assessed at \$400 per sq.ft.?

Complainant's Requested Value: Refer to Appendix "B"

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

The Parties requested that all the complaints be heard at the same time.

The same owner owns all the parcels; they all have the same land use classification and all are assessed in the same manner, as vacant land within the assessment District DT1. Some of the properties show assessment adjustments for specific parcel influences. The Complainant does not dispute the method of assessment, only the valuation rate of \$400 per sq.ft.

The Complainant's position is that the land has its highest and best use as a redevelopment property and that it will likely be redeveloped as an A or AA type of property. It is the Complainant's contention that current market conditions, the amount of new space entering the market and absorption rates indicate that this will not occur for some ten or more years from now. He also indicates that there are no recent sales comparables. Using rent rolls from the month of October 2009 and an assessment base rate from 2007 of \$450/sq.ft., the Complainant has prepared a calculation that purports to show the present value of the future worth of the properties in ten years time. The resulting value on which the Complainant's requested assessments are based is \$319

per sq.ft. which compares favourably, he says, with other properties at 600 3 Ave S.W., 214 6 Ave S.W. and 633 3 Ave S.W. which are assessed at approximately \$300/sq.ft. The Complainant's Requested Assessment Table did not properly reflect the influences affecting assessment resulting in incorrect amounts. The Board directed the complainant to prepare a complete table with the adjustments and revised requested assessments. This document is marked as Exhibit 1 at the end of this decision. The Complainant further notes that the properties should be valued based on a different assessment district rate having regard to land use districts and neighbourhoods.

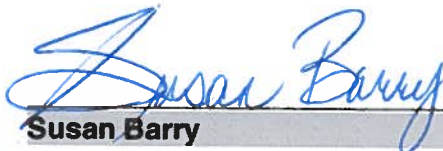
The Respondent argues that some of the comparables are in different assessment districts and one, in fact, has had an upward adjustment making it comparable to the rates applied to the subject. Further, the Respondent argues that the Complainant's valuation calculations do not reflect the market value of the properties as of July 1, 2009, the valuation date and offers in support previous Municipal Government Board decisions that refute the appropriateness of discounted cash flow analysis as a determinant of market value. As well, assessment districts are not based on planning districts but on areas of similar development subject to the same or similar market influences.

The Board concurs that the Complainant's valuation methodology is speculative at best and does not meet the onus on him for challenging the assessment of the Respondent. The valuation standard is market value as of the valuation date of, in this instance, July 1, 2009. Nothing in the Complainant's evidence supports a value other than \$400/sq.ft. as a fair and equitable assessment.

Board's Decision:

The assessments are confirmed as per Appendix "A" that forms part of this decision.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF August 2010.



Susan Barry
Presiding Officer

EXHIBITS

Exhibit #1 Complainant's Evidence of Requested Assessment

APPENDIX "A": Identification Of Complaint Information

Roll #	Location Address	Hearing No.	Assessment
068026103	210 3 St. S.W.	58245	\$ 140,000
068026400	335 2 Ave. S.W.	58276	\$ 1,400,000
068027408	309 2 Ave S.W.	58307	\$16,190,000
068026202	339 2 Ave S.W.	58256	\$ 1,360,000
068026301	208 3 St. S.W.	58265	\$ 1,300,000
068026509	333 2 Av S.W.	58281	\$ 1,400,000
068026608	331 2 Av S.W.	58284	\$ 1,400,000
068026707	329 2 Av S.W.	58286	\$ 1,400,000
068026806	327 2 Av S.W.	58290	\$ 1,400,000
068026905	325 2 Av S.W.	58304	\$ 1,400,000
068027002	323 2 Av S.W.	58306	\$ 1,400,000
068028000	302 3 Av S.W.	58310	\$15,460,000
068028794	326 3 Av S.W.	58311	\$ 4,890,000
068029008	222 3 St. S.W.	58313	\$ 8,820,000

Appendix "B": Complainant's Requested Assessment

Roll #	Location Address	Hearing No.	Requested Assessment
068026103	210 3 St. S.W.	58245	\$ 111,650
068026400	335 2 Ave. S.W.	58276	\$ 1,118,733
068027408	309 2 Ave S.W.	58307	\$12,916,342
068026202	339 2 Ave S.W.	58256	\$ 1,088,253
068026301	208 3 St. S.W.	58265	\$ 1,041,535
068026509	333 2 Av S.W.	58281	\$ 1,118,733
068026608	331 2 Av S.W.	58284	\$ 1,118,733
068026707	329 2 Av S.W.	58286	\$ 1,118,733
068026806	327 2 Av S.W.	58290	\$ 1,118,733
068026905	325 2 Av S.W.	58304	\$ 1,118,733
068027002	323 2 Av S.W.	58306	\$ 1,118,414
068028000	302 3 Av S.W.	58310	\$12,332,524
068028794	326 3 Av S.W.	58311	\$ 3,907,431
068029008	222 3 St. S.W.	58313	\$ 7,033,950

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.*