

**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, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

L. Lundgren, PRESIDING OFFICER

R. Deschaine, MEMBER

A. Zindler, MEMBER

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

ROLL NUMBER	ADDRESS	HEARING NUMBER	ASSESSMENT
079124202	1825 Park RD SE	58855	\$2,260,000
079123907	1919 Macleod TR SE	58850	\$20,240,000
079124111	1818 1 ST SE	58853	\$9,050,000

This complaint was heard on the 2nd day of November, 2010 at the office of the Assessment Review Board located at 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *B. Neeson, Agent for Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *D. Satoor, Assessor for the City of Calgary*

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

There were no procedural or jurisdictional matters.

Property Descriptions:

The three subject parcels are vacant lots located next to one another and backing onto the Bow River. They are located in the BL-8 economic zone of the Beltline and are assessed using a base land rate of \$215psf. They vary in size and shape as follows.

1825 Park RD SE is a 10,550 square foot (ft) rectangular shape lot with no site influence adjustments made to the assessment.

1919 Macleod TR SE is an 89,666sf trapezoid shape lot with a positive site influence adjustment of 5% for corner lot resulting in a per square foot assessment of \$225.75.

1818 1 ST SE is a 42,126sf irregular shape lot with no site influences made to the assessment.

Issues:

1. What is the correct base land rate for the three subject properties?
2. Should influence adjustments be made for size, shape and floodplain?
3. Are the subject properties assessed equitably with similar properties?

The only issues that the Complainant brought forward in the hearing before the Composite Assessment Review Board (CARB) are those referred to above, therefore the CARB has not addressed any of the other issues initially raised by the Complainant on Schedule 1.

Complainant's Requested Value: \$13,449,000 for 1919 Macleod TR SE
\$ 6,318,900 for 1818 1 ST SE
\$ 1,582,500 for 1825 Park RD SE

Board's Decision in Respect to Each Matter or Issue:**1. What is the correct base land rate for the subject properties?**

The Complainant submitted that there are no sales to support the BL-8 base land rate of \$215psf because none have occurred in the BL-8 area of the Beltline. The Complainant argued that sales from other parts of the Beltline and downtown support a much lower value than the \$215psf used to assess the subject properties. In support of this argument, the Complainant presented eleven sales and two listings from other parts of the Beltline that have an average sale/list price of \$183psf.

The Respondent criticized the Complainant's list of comparables because it included two listings, three non-arms length sales, three sales which were not on the open market and two with dissimilar zoning. Only three of the Complainant's sales comparables are valid arms-length sales of similar property and they average a sale price of \$214psf which supports the per square foot assessment of the subject properties.

The Respondent provided five sales comparables of property which sold in the beltline from August 2008 to April 2009 for a median sale price of \$221psf.

The Board finds the best indicators of market value are the valid arms-length sales which were bought and sold on the open market. The three sales of the Complainant located at 123 12 Ave SE, 126 13 Ave SE and 105B 10 Ave SE, together with the five sales of the Respondent support the base land rate of \$215psf used to assess the subject properties.

2. Should the assessments of the subject properties be adjusted for site influences?

The Complainant argued that the three subject properties are assessed in excess of market value because there were no adjustments made for size, shape or floodplain. The Complainant presented a chart used by the assessment department to adjust industrial properties for various influences which affect the market value of land. For example, properties in excess of 10 acres receive a negative adjustment of -15% for size. Properties with a floodplain influence receive a -30% negative adjustment and properties with a shape influence receive a -25% negative adjustment. On this basis the Complainant made the following requested adjustments for size, shape and floodplain.

Respecting size, the base land rate of \$215psf applied to the subject properties was derived from the sales of much smaller properties in the beltline which would tend to sell for more per square foot than the subject properties. If the three parcels are considered as one, the total area is approximately 3.26 acres in total and should receive a -15% adjustment because they are outliers in size.

Respecting shape, the property located at 1919 Macleod TR SE is a triangle shape which should receive a negative adjustment of -25%.

With respect to the floodplain influence, all three properties are located in the floodplain as indicated on the City of Calgary floodplain map and should receive a negative adjustment of -30%.

In conclusion, the Complainant is requesting a 30% reduction to each of the assessments for the combination of size, shape and floodplain influences which have not been recognized.

The Respondent submitted that the 2010 Beltline Influence Chart does not include any adjustments for size, shape or floodplain. The one exception for a size influence adjustment in the Beltline was made for 1410 Olympic Way SE (Stampede Grounds) because it is an anomaly. It should be noted that the largest of the parcels under complaint is not similar to the Stampede Grounds because it is less than 2% of the size of the Stampede Grounds.

The Respondent submitted that there have been no floodplain influence adjustments made in the Beltline, and the comparable cited by the Complainant is in the Chinook market area which is a different location than the subject properties. Further, the Complainant did not provide any evidence that the location of the subject properties in the floodplain has had a negative effect on the market value.

Respecting the shape of the property located at 1919 Macleod TR SE, no shape influence adjustment was made because it is a large developable parcel (89,666sf) which was previously improved with a casino.

In conclusion, the Respondent requests that no influences be applied for size, shape or floodplain.

The Board finds that requested site influence adjustments are not warranted for the subject properties, because there is no evidence the market value of the subject properties is reduced because of size, shape or floodplain.

3. Are the subject properties assessed equitably with similar properties?

The Complainant submitted that other properties in the beltline have received size adjustments and the subject should also receive an adjustment. The property located at 1919 Macleod TR SE is the second largest property in the beltline and should receive a -15% size adjustment. The largest property in the beltline is the Stampede Grounds located at 1410 Olympic Way which is approximately 4,700,000 square feet and it received a size adjustment for the 2010 Assessment. For the 2009 assessment, the old Co-op site located on 11 Avenue SE received a -30% reduction for size. This year it did not receive a size influence adjustment and is assessed at the same base land rate as the subject properties.

Properties owned by Anthem Level Erlton Ltd. located south of the subject properties on Macleod Trail received floodplain influence adjustments to the assessments and, therefore, the subject properties are also entitled to floodplain influence adjustments.

The Board finds that the subject properties are not similar in size to the Stampede Grounds located at 1410 Olympic Way, therefore, the subject properties are not assessed inequitably with the Stampede Grounds. The Board also finds that the subject properties are not similar to the Anthem Level Erlton Ltd. property because they are in different market areas. Owing to the fact that the subjects are not similar to the equity comparables presented by the Complainant, the Board finds no evidence of inequity in the subject property assessments. No adjustments will be made to the assessments on the basis of size or floodplain. Further, none of the

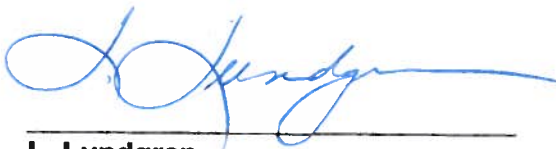
properties in the beltline receive site influence adjustments for size, shape or floodplain, therefore, the subject properties are treated in the same manner as all other properties in the beltline.

Board's Decision:

The complaints are denied and the property assessments are confirmed as follows:

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MAILED FROM THE CITY OF CALGARY THIS 30th DAY OF NOVEMBER 2010.



L. Lundgren
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.*