

**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 LIMITED, 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 Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 068127109**

**LOCATION ADDRESS: 1110 Macleod TR SE**

**HEARING NUMBER: 59432**

**ASSESSMENT: \$3,380,000**

This complaint was heard on 3<sup>rd</sup>, day of November, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *B. Bickford, Agent for Altus Group Limited*

Appeared on behalf of the Respondent:

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

### **Board's Decision in Respect of Procedural or Jurisdictional Matters**

The Complainant raised a matter with respect to the Respondent's disclosure. The Complainant stated that the only disclosure made by the Respondent was a number of board decisions and according to *MATTERS RELATING TO ASSESSMENT COMPLAINTS REGULATION (MRAC)* section 8(2)(b)(i) the Complainant must disclose the evidence and argument it intends to present at the hearing. The Respondent agreed that the disclosure consisted of only six Composite Assessment Review Board decisions and he will rely on that evidence. The Board reminded the parties that according to MRAC 9(2), a composite review board must not hear any evidence that has not been disclosed in accordance section 8. The Board proceeded to hear the matter.

### **Property Description:**

The subject property is a 17,486 square foot parcel of vacant land located at 1110 Macleod TR SE. It has a land use designation of CCX and is used as a surface parking lot. It is located in the beltline and is assessed using the base land rate of \$215 per square foot (psf) with a positive adjustment of 5% for the corner lot influence and a negative adjustment of -15% for Light Rail Transit.

### **Issues:**

1. Does the current property assessment recognize the existence of an underground Light Rail Transit (LRT) tunnel?

**Complainant's Requested Value:** \$1,870,000

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

The Complainant submitted that the subject has been assessed at the vacant land rate of \$215psf with a negative -15% adjustment for the LRT tracks. The Complainant argued that the negative -15% adjustment is not sufficient because the parcel of land cannot be fully utilized by the landowner/lessee. The land is leased from the City of Calgary and used for a surface parking lot. The LRT line traverses the entire length of the subject property underground which prevents surface development.

The Complainant stated that all of the sold properties used by the Respondent municipality to develop the base rate of \$215psf have development potential and none are similarly encumbered with underground LRT tracks. An adjustment for this physical impairment is necessary. The typical adjustment of -15% for LRT tracks applied to the assessments of neighbouring properties is for a surface LRT line that runs near the rear of the properties and surface development is possible. In the case of the subject property, an adjustment of -15% for the LRT tracks is applied to the assessment, but no surface development can occur. The Complainant provided a chart used by the assessment department to adjust industrial property assessments for various influences, and pointed to the negative adjustment of -50% for Transmission/Power Lines as an adjustment for a similar situation. The development potential is limited in the same manner by an underground LRT or a surface Transmission/Power Line. The Complainant requested a -50% adjustment to recognize the encumbrance which results in a revised assessment of \$1,870,000. Although the Complainant is not relying in the income approach valuation to support the requested reduction, the Complainant noted that the projected value estimate based on the current use is \$1,710,000.

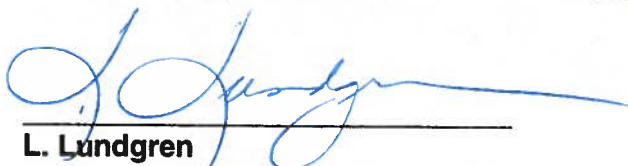
The Respondent presented six Composite Assessment Review Board decisions that confirm the base land rate of \$215psf. The Respondent confirmed that the site influence chart provides for an LRT adjustment of -15% but does not include a specific adjustment for the presence of underground LRT tracks.

The Board finds that the site influence adjustment of -15% for Light Rapid Transit does not fully recognize the loss in value owing to the presence of the underground LRT tunnel. The Board agrees with the Complainant that the subject property probably would not sell for the same price as a property without development restrictions, all things equal. In the absence of sales of property with similar encumbrances, it is reasonable to rely on the site influence adjustment of -50% given to properties with transmission or power lines.

**Board's Decision:**

The complaint is allowed and the property assessment is reduced to \$1,870,000.

DATED AT THE CITY OF CALGARY THIS 23<sup>rd</sup> 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.*