

**COMPOSITE
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

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

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER

D. Julien, MEMBER

J. Mathias, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) 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: 087034914

LOCATION ADDRESS: 4225 Crowchild Trail SW

HEARING NUMBER: 57508

ASSESSMENT: \$46,180,000.

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

Appeared on behalf of the Complainant:

- J. Weber

Appeared on behalf of the Respondent:

- M. Ryan

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

There were no matters, either Procedural nor Jurisdictional, brought forward for the CARB's consideration.

Property Description:

The property under complaint consists of a large, 194.33 acre, redevelopment site that is most commonly referred to as the former Canadian Forces Base Currie Barracks.

Issues:

The Assessment Review Board Complaint Form identifies the following issues:

1. The subject property is assessed in contravention of Section 293 of the MGA and Alberta Regulation 220/2004.
2. The use, quality and physical condition attributed by the municipality to the subject property is incorrect, inequitable and does not satisfy the requirements of Section 289 (2) of the MGA.
3. The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts.
4. The information requested from the municipality pursuant to Section 299 or 300 of the MGA was not provided.
5. The aggregate assessment per acre applied is inequitable with other assessments and should be lower.
6. The aggregate assessment per acre applied to the subject property does not reflect market value for assessment purposes when using the direct comparison approach,
7. The influence adjustment factors applied to the assessment have been inequitably applied to the base rate.
8. The tax exempt area on the subject has not been calculated correctly.

At the Hearing, and as indicated on page 3 of the Complainant's Exhibit C-1, the issues to be given consideration by the CARB were reduced to:

1. The assessed land rate per acre is high compared to sales data of similar S-FUD land parcels.
2. The subject should be assessed using the principle of "highest and best use" and therefore there should not be any value attributed to the building improvements. Buildings at Currie Barracks have been demolished with the exception of the flea market and it will be demolished upon lease termination in October. An investor would only pay for the land value.

Complainant's Requested Value:

The Complainants original request was revised in Exhibit C-2, page 3, to: \$30,990,000.

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

It is the contention of the Complainant that the various buildings that remain on the site, while already 80% depreciated by the Assessor, have of no value whatsoever and their respective assessed values should be reduced to zero (0). Many of the buildings are vacant and boarded

up. Additionally, a number of the buildings have been designated as being Historic and this reduces, and in some cases may prevent, the possibility of refurbishing and/or up-grading them to meet current market expectations. The Complainant introduced (Exhibit C-1 pgs 7 – 66) the Assessment Summary Reports pertaining to the buildings and which do indicate the aforementioned 80% depreciation rate already applied by the Assessor. Additionally, the Complainant introduced (Exhibit C-1 pgs 69 – 87) records of Building Permits, which include demolition permits, pertaining to many of the buildings. It is the contention of the Complainant that the buildings would be of no value to a potential purchaser of the property and that this factor would be recognised in the market place. As a result of the foregoing the buildings in question should have no value attributed to them for assessment purposes.

With regard to the land value, the Complainant introduced (Exhibit C-1 pg 88) a summary of ten (10) sales of potential residential development parcels which indicate a Median value of \$412,586/acre. This same page of the referenced Exhibit also provides a City Land Adjustment chart which shows a category for size adjustment with 50% being applicable to sites 50 acres in size or larger. Application of this 50% factor to the aforementioned Median value results in the Complainant's requested land value of \$206,243/acre.

The Respondent introduced (Exhibit R-1 pgs 13 – 47) a series of recent photographs of the existing building improvements. The Assessor reminded the CARB that it is a requirement to value the subject improvements based upon their condition as at December 31 the year prior to the assessment year with the result that those buildings which may have been demolished recently will be recognised by the Assessor in the next assessment year. The Assessor also argued that a number of the buildings in question continue to be in use for one purpose or another and, in that they are in use, they do have some value. Additionally, the Assessor pointed out that those buildings with Historic designations are to be incorporated into the redevelopment plan, albeit in what form is yet to be determined, and that too would suggest some recognition of value. With regard to the land value issue, the Assessor provided (Exhibit R-1 pg 48) an explanation as to how the size reduction for large land parcels is properly applied, noting that the Complainant had incorrectly applied same in their analysis and that they had based their reduction on an Influence Chart relating to commercial, non-residential properties. In their chart the Assessor shows that the correct size reduction is based upon a decreasing scale whereby the first 10 acres are assessed at 100% of the applicable base rate, the next 10 acres at 85% of the base rate, the next 30 acres at 75% of the base rate and the remaining acreage at 50% of the base rate.

The CARB notes that the Complainant did not supply a specific list as to which buildings are or are not in use, but rather simply requested that all of the buildings have their respective assessed values reduced to zero (0). While the Complainant does recognise that some of the buildings do continue to be in use, this use is limited in terms of time. The CARB is of the judgment that if some of the buildings are in use then that equates to a value recognition factor, that is to say, if they have utility then they have value. The CARB recognises the requirement of the Assessor to adhere to the December 31st "condition date" as stipulated in Section 289 (2)(a) of the MGA and that this may result in the Assessor recognising the demolition of a given improvement the year following the actual demolition of same. The Assessor has properly recognised the value, albeit limited, of the improvements as required. In consideration of the foregoing it is the judgment of the CARB that argument of the Complainant, as it relates to the improvement value fails. With regard to the land value, the CARB notes that the sales data introduced by the Complainant relates to much smaller parcels having an average size of only 12.05 acres and all of which appear to be well removed from the close-in location of the subject

location of the subject lands. Based upon the evidence of the Respondent, the CARB recognises that the Complainant has incorrectly chosen and applied the size adjustment appropriate for the subject lands. Accordingly, the land value argument of the Complainant fails to convince the Board that a reduction in assessed value is warranted.

Board's Decision:

The assessment is **confirmed** at **\$46,180,000**.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF November 2010.


C. J. GRIFFIN
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.*