

**CALGARY
COMPOSITE 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, Revised Statutes of Alberta 2000 (the Act).

Between

Altus Group Limited, representing Southland Transportation Ltd., COMPLAINANT

And

The City Of Calgary, RESPONDENT

Before

***M. Chillibeck, PRESIDING OFFICER
P. McKenna, MEMBER
B. Jerchel, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER: 091003400

LOCATION ADDRESS: 4105 – 13A ST SE

HEARING NUMBER: 68279

ASSESSMENT: \$1,340,000.

[1] This complaint was heard by the Composite Assessment Review Board on 4th day of July, 2012 in Boardroom 4 on Floor Number 4 at the office of the Assessment Review Board located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

R. Worthington, Agent
M. Robinson, Observer

Appeared on behalf of the Respondent:

R.T. Luchak, Property Assessor

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

Jurisdiction

[2] Neither party raised any objections to a member of the Board hearing the subject complaint.

Procedural

[3] Neither party raised any preliminary matters.

Property Description:

[4] The subject consists of 1.88 acres of land with a 2,080 square foot building constructed in 1965 located in between 13A Street/Ogden Road and railway in the Alyth/Bonnybrook district in the SE quadrant of The City of Calgary. It is categorized as being in Non Residential Zone (NRZ) BB1 and subject to Land Use Designation (LUD) of Industrial General (IG). The building has 100% retail/office finish and the site coverage is 2.5%.

Issues:

[5] The Complainant identified the matters of an assessment amount and assessment classification on the Assessment Review Board Complaint (Complaint Form) and attached a schedule listing several reasons for the complaint. At the hearing the Complainant advised that the assessment amount is under complaint and the Board identified the issues as follows:

1. Should the subject property be assessed as vacant land (building does not add value to the land)?
2. Should the land be valued at the Industrial Redevelopment (IR) rate (rather than Industrial General (IG) rate)?

Complainant's Requested Value: \$846,000

Board's Findings in Respect of Each Issue:

[6] The subject property is assessed by using the sales comparison method at \$212.35 per square foot of assessable building area (that includes land coverage at 30%) plus an adjustment of \$903,437 for 1.72 acres of extra land. The land under LUD IG is valued at \$525,000 per acre.

[7] The Complainant requested a change in the assessment to recognize that the building has no value and the land should be valued as if it is vacant at IR land rate.

1. Vacant Land

[8] The Complainant argued that the subject building is not a typical industrial building; it is very small in comparison to the land size and covers 2.5% of the land. It is not rentable in the market place and is surrounded by larger industrial buildings and vacant land parcels. The Complainant argued the subject should be valued as vacant land because the building is a non-contributing asset to the property. A 2011 CARB decision for the subject was referenced wherein the assessment was reduced to reflect only the value of the land.

[9] The Respondent argued that the building is being used; therefore it has value. The Respondent provided sale and assessment comparables in support for the subject assessment.

[10] The applicable basis for the assessment of property (i.e. land and improvements; or land only) depends on whether a building/improvement adds value to the land. The applicable test is whether a building/improvement exists to facilitate or permit the use of the land. A small sized building/improvement sometimes will not facilitate or permit use of the land; however the relative size is not determinative. Here the building/improvement is a dispatch office which facilitates the use of the land (bus depot and storage).

[11] The Board has weighed the information and finds that the building has value. The Complainant's assertions were not supported by any analysis of the facts about the subject or the assessment comparables. The information provided on the comparables was the Property Assessment Public Report and the Board notes each of these identify the property type to be "land and improvement"; the Board believes that the assessment for these comparables includes a value for the land and building. These comparables do not support the Complainant's claim that the subject should be assessed as if vacant (land value only).

2. Land Value

[12] The Complainant argued the land should be valued at the IR land rate (rather than the IG land rate) because it is surrounded by IR lands.

[13] The Board is not convinced that the subject land should be valued at the IR land rate because the surrounding lands (referred to by the Complainant) are located to the east of the subject; no information was provided on the properties adjoining the subject or adjacent to the subject in between Ogden Road/13A Street and the railway. A land use map would be helpful to identify the Land Use Designation (LUD) of the properties immediately surrounding the subject. One of the characteristics of the subject is that it is subject to LUD IG and it should be valued accordingly.

Board's Decision:

[14] The Board confirms the assessment at \$1,340,000.

DATED AT THE CITY OF CALGARY THIS 8 DAY OF August 2012.

A handwritten signature in black ink, appearing to read "M. Chilibeck", is written over a horizontal line.

M. Chilibeck
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD**

NO.	ITEM
1. C1	Complainant's Disclosure
2. C2	Complainant's Rebuttal
2. R1	Respondent's Disclosure

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.*

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Decision No. 046-1117-2012P			Roll No. 046062204	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	warehouse- single Tennant	Sales Approach	-Improvement Value -Land Value