

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

**between:**

***Great Plains Business Park GP Corp and Hopewell (HDP II) Developments Inc.  
(as represented by Altus Group Limited), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***B. Horrocks, PRESIDING OFFICER  
H. Ang, MEMBER  
D. Morice, 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:

Assessed Person	Roll Number	Address	Hearing Number	Assessment
Great Plains Business Park GP Corp	201465838	5855 68 AV SE	66642	\$7,830,000
Great Plains Business Park GP Corp	201465846	7100 57 ST SE	66641	\$7,740,000
Hopewell (HDP II) Developments Inc	201465853	6955 68 ST SE	66638	\$8,430,000
Hopewell (HDP II) Developments Inc	201465879	7340 64 ST SE	66635	\$7,340,000

This complaint was heard on the 23rd day of July, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- Mr. D. Mewha (Altus Group Limited)
- Ms. K. Lilly (Altus Group Limited)

Appeared on behalf of the Respondent:

- Mr. J. Lepine (City of Calgary)

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

[1] There were no concerns with the Board as constituted.

[2] The Complainant provided a chronology of information requests (C-3) that it had made to the City under section 299 and 300 of the Act, for each property under complaint, and submitted that the information requested had not been provided. As a result, the Complainant requested that pages 10, 11, 12, and 14 through 19 be removed from the Respondent's Disclosure (R-1).

[3] The Complainant cited the Municipal Government Act, R.S.A. 2000, c. M-26 (MGA)

**Failure to Disclose**

*9(4) A composite assessment review board must not hear any evidence from a municipality relating to any information that was requested by a complainant under section 299 or 300 of the Act but was not provided to the complainant.*

[4] The Respondent advised that the information contained on those pages was not material to the issue and could be disregarded.

[5] The Board granted the Complainant's request with the consent of the Respondent. The merit hearing proceeded.

[6] The Complainant advised that an Amended Notice for the property located at 7100 57 ST SE had been issued. The amended assessment is \$5,160,000.

**Property Description:**

[7] The subject properties are all serviced or partially serviced parcels located in the Great Plains Industrial Community in SE Calgary, as noted below:

Roll Number	Address	Parcel Size (acres)	2012 Applied Adj
201465838	5855 68 AV SE	35.12	No services
201465846	7100 57 ST SE	21.56	No services
201465853	6955 68 ST SE	38.17	No services
201465879	7340 64 ST SE	20.20	Partial services

**Issues:**

[8] The Assessment Review Board Complaint Form contained 13 Grounds for the Complaint. At the outset of the hearing, the Complainant advised the outstanding issue is: "The Assessment of the subject property is in excess of its market value for assessment purposes".

**Complainant's Requested Value:**

Roll Number	Address	Requested Assessment
201465838	5855 68 AV SE	\$6,146,000
201465846	7100 57 ST SE	\$4,204,200
201465853	6955 68 ST SE	\$6,679,750
201465879	7340 64 ST SE	\$5,908,500

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

**Issue:** What is the market value for assessment purposes?

[9] Market value for assessment purposes for unimproved land is derived by establishing a per acre land (base) rate and making adjustments for influences such as no servicing, partial servicing, limited access, etc.. The City currently uses a base rate of \$525,000/acre for all parcels of 10 acres or less, and applies a formula, based on diminished return, for the remainder wherein acres 10.01 to 20.0 are reduced by 15%, acres 20.01 to 50.0 are reduced by 25% and acres 50+ are reduced by 50%. The Complainant submitted the applied formula overestimates the value of large parcels of contiguous land.

[10] The Complainant's Disclosure is labelled C-1.

[11] The Complainant, at page 28, provided a table titled SE Industrial Large Parcel Sales (20 acres +), which contained 5 sales occurring between July 2007 and June 30, 2011 noting that after adjustments for time and other specific property influences the median sale price was \$387,884/acre. In addition, the Complainant narrowed the sales data to those in the 20 to 30 acre size parcels and recalculated the median sale price to be \$390,960, in support of its request for a base rate of \$390,000/acre.

[12] The Respondent's Disclosure is labelled R-1.

[13] The Respondent, at page 8, provided a letter indicating that as of September 2011, full services had been installed at each of the properties, and as a result the 2012 assessments were in error. However, the assessment roll in respect of those properties could not be amended until a decision of an assessment review board has been rendered. The Respondent submitted the issue to be resolved is "base" land rate.

[14] The Respondent, at page 34, submitted a table titled Sales Comparables for Base Rate which contained 21 sales in the SE region in the period Nov. 2009 to June 2011, in support of the current base rate of \$525,000/acre. The table contains only sales of parcels between 1.080 acres and 4.950 acres.

[15] The Board concurs with the Complainant that the formula for diminished returns applied by the City does not accurately reflect what is happening in the market place for the sale of larger parcels in the 20 to 30 acre range. The formula yields market values in excess of the time adjusted sale price in every instance.

[16] The Board finds the Complainant's market evidence more compelling and accepts a base rate of \$390,000/acre to be applied to all parcels greater than 20 acres. There were no issues with respect to the adjustments that had been applied in 2012.

[17] The Board notes that the Complainant, on page 83 used a base rate of \$350,000/acre to calculate its requested assessment for 5855 68 AV SE and 6855 68 ST SE. The Board is unable to find any evidence in the Complainant's submission to support that rate and as a result, it is rejected.

**Board's Decision:**

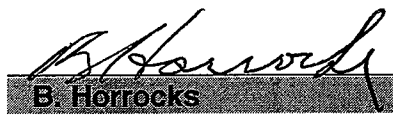
The 2012 assessments are reduced as follows:

Roll Number	Address	Assessment
201465838	5855 68 AV SE	\$6,840,000
201465846	7100 57 ST SE	\$4,200,000
201465853	6955 68 ST SE	\$7,440,000
201465879	7340 64 ST SE	\$5,900,000

**Reasons:**

A base rate of \$390,000/acre reflects the market for industrial properties greater than 20 acres.

DATED AT THE CITY OF CALGARY THIS 28 DAY OF August 2012.

  
B. Horrocks  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C-1	Complainant Disclosure
2. R-1	Respondent Disclosure
3. C-2	Complainant Rebuttal
4. C-3	Complainant Index for Preliminary Request

*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.*

**For Administrative Use**

<b>Subject</b>	<b>Property type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-issue</b>
CARB	Other	Vacant Land	Sales Approach	Base rate