

**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:**

***Toyota Canada Inc.(as represented by Altus Group Limited ), COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member, J. Rankin  
Board Member, S. Rourke***

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: 200204881**

**LOCATION ADDRESS: 5330 - Skyline Way NE**

**HEARING NUMBER: 67681**

**ASSESSMENT: \$3,920,000.00**

This complaint was heard on the 17th day of July, 2012, at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Four.

Appeared on behalf of the Complainant:

- *C. Van Staden*

Appeared on behalf of the Respondent:

- *J. Young*
- *M. Hartmann*

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

- (1) None

**Property Description:**

(2) The subject is a Toyota Auto dealership facility. The property consists of a 11,099 s.f. building, situated on a 2.990 acre site. The City classifies the building as a single bay industrial warehouse. The building was constructed in 1985. According to the City, there are 2.140673401 acres of extra land, assuming 30 per cent site coverage from the existing building. The site is located at 53 Avenue and Skyline Way, with good exposure to Deerfoot Trail.

**Issues / Appeal Objectives**

(3) The subject is currently being assessed by the sales comparison approach to value. The assessment is based on \$175.44 per s.f. of building including 0.849 acres of land, plus 2.14067 acres of extra land at \$925,000.00 per acre. The overall assessment for the subject is \$353.85 per s.f. of building.

(4) The Complainant outlined two basic issues;

(a) The building is assessed as though it is 100 per cent finished. According to the Complainant, the building is comprised of 4,995 s.f. of office and showroom, and 6,104 s.f. of service repair garage, which should not command the same rate, or the same assessment.

(b) The subject's extra land is included at \$925,000 per acre, which is the rate for I-B (Industrial Business) designated land. That rate, according to the Respondent, is arbitrary and is not based on actual data.

The Complainant maintains that the subject's extra land is removed from Deerfoot Trail, does not benefit from the exposure, and should be assessed at the same rate as I-G (Industrial General) land, at \$800,000.00 per acre.

**Complainant's Requested Value:**

- (5) \$3,000,000

**Evidence / Argument**

(6) The Complainant submitted eight comparables in NE Calgary. Building sizes range from 8,030 s.f. to 13,680 s.f. Site sizes range from 0.30 to 1.10 acres. Time adjusted selling prices range from \$112 to \$172 per s.f.. The median time adjusted selling price is \$146.00 per s.f. Site

coverage of the comparables ranges from 20 to 62 per cent, compared to 9 per cent for the subject. According to the Complainant, if the excess land value is removed from the value of the site leaving a 30 per cent site coverage, the current assessment would still appear at \$246 per s.f., which is still excessive when compared to the market data. That is at least partly the result of the City's classification of the building as being 100 per cent finished.

(7) The Complainant also submitted cost calculations that produced a depreciated improvement cost of \$608,115 after GST, and land value of \$2,392,000, for a total estimate of \$3,000,000. The cost calculations, however, contain an overly aggressive depreciation estimate that produces a lower estimate.

(8) The Respondent submitted two sets of comparables for the subject. One set was described as being "good", but not "great", and the second set was described as being "better than the first set". Notwithstanding the Respondent's description, the comparables most preferred by the Respondent reflected a median time adjusted selling price of \$168.00 per s.f. The median size was slightly smaller than the subject. Overall, the comparables were slightly older than the subject. The median finish per cent was 23.20.

(9) The Respondent also presented six equity comparables that reflect a median assessment of \$181 per s.f. Site coverage is 22.21 per cent, and the median per cent finish is 32 per cent.

#### **Board's Decision**

(10) Based on the evidence submitted, the Board concludes that the subject is a typical auto dealership, with a showroom and office/sales component, and a shop/ service garage. Auto dealerships are typically unique buildings that are not readily compared to conventional warehouses or industrial buildings. In addition, the Board finds that the subject is not 100 per cent finished, but is in fact 45 per cent office, and 55 per cent garage/repair shop.

(11) The Board finds that the Complainant's cost calculations, adjusted to reflect a less aggressive depreciation estimate, most realistically represent the value of the existing building.

(12) The City's I-B land rate has no foundation in fact. The subject's rear land, which is the extra land, would not benefit from any exposure to Deerfoot Trail, were it to be severed from the existing parcel. The I-G land rate of \$800,000 per acre has some support in the marketplace, and is considered the more applicable rate to be applied.

(13) With the amended inputs, the revised assessment is calculated at \$3,353,913, truncated to \$3,350,000.

(14) The assessment is reduced to \$3,350,000.00.

**DATED AT THE CITY OF CALGARY THIS 13 DAY OF August, 2012.**



**Jerry Zezulka**  
**Presiding Officer**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
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1. C1; Evidence Submission of the Complainant
2. C2 Rebuttal Submission of the Complainant
3. C3 Evidence Submission of the Complainant
3. R1 Evidence Submission of the Respondent

*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).*

(a) *the assessment review board, and*  
(b) *any other persons as the judge directs.*

**For MGB Administrative Use Only**

Decision No. 0885/2012 - P			Roll No. 097016703	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Market value	N/A	Value of extra land