

**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:

***444 Seventh Inc. c/o Dundee Realty Management Corp.,  
(as represented by Colliers International Realty Advisors Inc. ), COMPLAINANT***

and

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

before:

***L. Wood, PRESIDING OFFICER  
R. Deschaine, MEMBER  
K. Farn, 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:

<b>ROLL NUMBER:</b>	<b>068247907</b>
<b>LOCATION ADDRESS:</b>	<b>609 3 ST SW</b>
<b>HEARING NUMBER:</b>	<b>68715</b>
<b>ASSESSMENT:</b>	<b>\$986,500</b>

This complaint was heard on the 21<sup>st</sup> day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- Mr. J. Havrilchak Agent, Colliers International Realty Advisors Inc.

Appeared on behalf of the Respondent:

- Mr. R. Fegan Assessor, City of Calgary

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

[1] There were no procedural or jurisdictional matters raised by the parties during the hearing.

**Property Description:**

[2] The subject property is a laneway (or alley) located between 444 7 Avenue SW (Barclay Centre I) and 606 4<sup>th</sup> Street SW (Barclay Centre II) in the Downtown Commercial Core. It has a total square footage of 4,338 sq. ft. and is zoned DC, 138Z90 (CM-2).

[3] The subject property was assessed based on the Direct Sales Comparison Approach at a base rate of \$325 psf. There were (negative) influences of small parcel size (-15%) and shape (-15%) applied to the assessment.

**Issue:**

[4] The assessment for the subject property should be reduced to a nominal value of \$1000.

**Complainant's Requested Value:**

[5] The Complainant requested a nominal assessed value of \$1000 for the subject property.

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

[6] The Complainant submitted the subject property has, historically, been given a nominal value for its assessment. That nominal value was also reflected at the beginning of this year. On January 3, 2012, the 2012 Property Assessment Notice for the subject property had indicated an assessed value of \$1000 (Exhibit C1 page 8). On April 5, 2012, an Amended 2012 Property Assessment Notice had been issued for the subject property which indicated a revised assessment of \$986,500 (Exhibit C1 page 9). The Complainant noted the subject property was purchased by 444 Seventh Inc. for \$175,000 in July 1999, the value of which was never reflected in past assessments (Exhibit C1 pages 10 & 11). Moreover there is very little value attributable to the laneway other than to provide access to a parkade for two adjacent office towers.

[7] The Respondent submitted the subject property was assessed based on the Direct Sales Comparison Approach. He provided a sale of a laneway located at 525 4 ST SW which Imperial Oil Resources Ltd. had purchased from the City of Calgary for \$925,676 in June 2009

("Imperial Oil laneway") (Exhibit R1 pages 22 – 28). The Imperial Oil laneway is similar to the subject property in size (4,628 sq. ft.), shape and location (Exhibit R1 page 20).

[8] The Respondent noted the Imperial Oil laneway was assessed in the exact same manner as the subject property at \$325 psf with the same negative influences; therefore, the assessment for the subject property is fair and equitable (Exhibit R1 page 19).

[9] The Respondent noted the two buildings on either side of the alley were constructed in 1960 and 1969 (Exhibit R1 pages 29 & 30). He argued that they were able to function without the ownership of the alley until it was purchased from the City of Calgary in 1999.

[10] The Respondent argued that a nominal value is not appropriate and provided *Edmonton (City) v. Edmonton Composite Assessment Review Board* 2012 ABQB 439 in support of his position (Exhibit R1 pages 37 – 46).

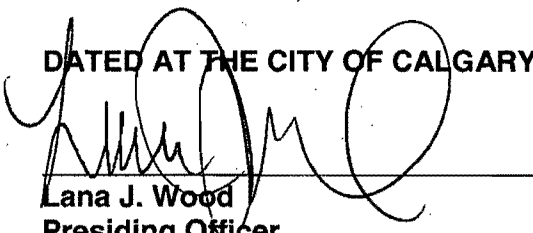
[11] At first blush, it appears that the sale between Imperial Oil and the City of Calgary is a market transaction however neither party was able to verify whether that sale was exposed to the open market. Nevertheless, the Board was not convinced that this sale should have been used to value the subject property as these properties are not comparable. Imperial Oil purchased a laneway between two surface parking lots for land assembly and development. The subject property is not developable because of its size, shape and location between two office towers. This difference is also reflected in the zoning: the Imperial Oil laneway is zoned CM-2 whereas the subject property is zoned DC, 138Z90 (CM-2). Although these differences were not fully explained at the hearing, it appears that the CM-2 zoning has few or no restrictions compared to DC, 138Z90 (CM-2).

[12] The Respondent conceded that the subject property would have a very limited market and it is not developable based on its size, shape and location. In light of the Respondent's concession, the Board finds it is unreasonable to assess the subject property at a base rate of \$325 psf as if it is vacant land. Based on the lack of desirability and the lack of development potential as previously identified, the Board finds the market value of the subject property would not exceed \$1,000.

**Board's Decision:**

[13] The decision of the Board is to revise the 2012 assessment for the subject property from \$986,500 to \$1,000.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF September 2012.

  
Lana J. Wood  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Evidence
2. R1	Respondent's Evidence

*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**

Subject	Property Type	Property Sub-Type	Issue	Sub - Issue
CARB	Other Property Types			