

**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:**

***ATCO Structures Inc.,  
(as represented by AEC International Inc.), COMPLAINANT***

**and**

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

**before:**

***L. Wood, PRESIDING OFFICER  
M. Peters, MEMBER  
E. Reuther, 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 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>104136130</b>
<b>LOCATION ADDRESS:</b>	<b>5115 CROWCHILD TR SW</b>
<b>HEARING NUMBER:</b>	<b>63989</b>
<b>ASSESSMENT:</b>	<b>\$13,230,000</b>

This complaint was heard on 23 day of August, 2011 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. A. Payn* *Agent, AEC International Inc.*

Appeared on behalf of the Respondent:

- *Mr. C. Fox* *Assessor, City of Calgary*

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

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

**Property Description:**

The subject property is 21.32 acres of land located in Lincoln Park and has several manufacturing buildings on site. It is part of a larger 50.95 acre parcel, owned by the City of Calgary. ATCO leases a portion of the property of 21.32 acres. The land use designation is Special Purpose – Community Service, Special Purpose- School, Park and Community Reserve and Direct Control District.

The subject property was assessed based on the Cost Approach to value. The Complainant indicated that he agreed with the value placed on the improvements (\$3,000,000) but disputes the land rate of \$480,000/acre.

**Issues:**

1. The land rate applied to the subject property is incorrect.

**Complainant's Requested Values:** \$7,018,000 or \$8,985,000

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

1. The land rate applied to the subject property is incorrect.

The Complainant submitted two vacant land sales in support of a reduced land rate for the subject property from \$480,000/acre to \$188,500/acre (Exhibit C1 page 16). He submitted a 13.84 acre land parcel located at 8487 - 32 St. N.E. that sold in May 27, 2009 for \$1,593,000 (\$115,166/acre) and a 25.54 acre site located at 7221 Glenmore Trail S.E. that sold on June 16, 2009 for \$6,690,000 (\$261,942/acre). He argued that these two sites have a great future development potential site and are located near future major intersections, similar to the subject property. The first comparable is located near the airport tunnel and ring road, and the second comparable is located near the corner of the new ring road and Glenmore Trail S.E. Based on the average of these two sales, the Complainant derived a vacant land rate of \$188,500/acre, and set out his request as follows (Exhibit C1 page 21):

- **21.32 acres x \$188,500/acre = \$4,019,000 + \$3,000,000 (improvements)= \$7,019,000**

Alternatively, the Complainant submitted two equity arguments for the Board's consideration (Exhibit C1 pages 22 - 25):

Firstly, he submitted a land assessment of a parcel located at 5049 Richard Road S.W. which is 17.35 acres and it was assessed at \$280,691/acre (Exhibit C1 pages 23 & 27). It, too, is a special purpose property (community institution). He set out his calculation as follows:

- **21.32 acres x \$280,691/acre = \$5,984,332 + \$3,000,000 (improvements)= \$8,894,332**

Secondly, the Complainant submitted the City should apply its rule of diminishing returns on the entire 50.95 acre site because it would be inequitable to apply it to ATCO's 21.34 acres. Moreover, there is only one title, one parcel and therefore, should only be one assessment as per the definition of "parcel" in the MGA (Exhibit C1 page 25). Based on the 2011 assessed base rate of \$525,000/acre, the Complainant submitted his calculation as follows (Exhibit C1 pages 24 & 25):

Breakdown	Economies of Scale	Acres	Base Rate	Totals
First 10 Acres	100%	10.00	525,000	\$5,250,000
10 to 20	85%	10.00	525,000	\$4,462,500
20 to 30	75%	30.95	525,000	\$12,186,563
<b>Total</b>		<b>50.95</b>		<b>\$21,899,063</b>

- **Land rate based on model correction is \$9,163,655**

The Complainant stated this does not mean he is in agreement with the \$525,000/acre land rate applied by the Respondent.

The Respondent submitted four sales comparables in support of the assessment (Exhibit R1 page 45). The sales comparables are industrial, vacant lands located throughout the City between 2.305 acres and 8.12 acres which sold in July 2008 – January 2010 for \$1,850,000 - \$7,860,000. The Respondent applied a time adjusted to those sales to derive a value of \$646,463 to \$883,282 /acre. The Respondent noted that properties with the land use designation of I-2 are now I-G, which is the same.

The Respondent submitted that the Complainant's sales comparables were not similar to the subject property in regards to land use designation, location, current use, and future use (Exhibit R1 page 69). He argued that the both properties were government purchases and were not listed on the open market and therefore should not be considered as open market transactions. The Respondent submitted the property located at 8487 32 ST N.E. is S-CRI zoned property located on the edge of the City that was once used for agricultural and was purchased for the development of a new runway. He argued this is in stark contrast to the subject property which is located in the inner city zoned S-CS/DC and will be developed into a business park with a residential component (Exhibit R1 pages 70 – 78). The Respondent submitted the property located at 7221 Glenmore Trail S.E. is residual parcel zoned as S-TUC and is located in MD Rockyview. It was purchased for future road widening. He argued this property is not similar in terms of zoning, utility, current use, future use and environmental influences (Exhibit R1 pages

79 – 97).

The Respondent also included 5 equity comparables that had the land rate of \$525,000/acre applied to their assessments (Exhibit R1 page 54). The equity comparables were a combination of vacant lands as well as improved lands. The parcel sizes ranged between 1.6 acres to 29.65 acres and the assessments are \$1,200,000 - \$16,760,000. The Respondent extracted the improvement value and derived an assessed value of \$840,000 - \$13,500,000 or \$525,000/acre.

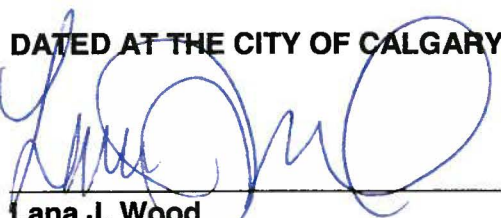
The Respondent argued that little weight should be placed on the Complainant's equity comparable as it is not similar to the subject in terms of zoning, shape, utility, current use and future use. It is a residual parcel, owned and occupied by Mount Royal University for institutional purposes, whereas the subject property is zoned for light industrial use. He also requested that little weight be applied to the Complainant's application of diminishing returns for the entire 50.95 acre site as there was no evidence in support of the methodology presented to the Board. The Respondent submitted that ATCO has a long standing agreement to purchase 21.35 acres of the 50.95 acre site from the City of Calgary, and the two parcels have historically been treated as two parcels. The 21.35 acres also has a different permitted uses in accordance with the DC Guidelines that were established as part of the CFB Master Plan and purchase agreement between the City of Calgary and ATCO (Exhibit R1 pages 27 – 42). By applying the Complainant's diminishing returns adjustment to the entire site, he argued it would result in a significant lower value for the subject property which is to be sold and skew the assessed rate per acre.

The Board was not convinced by the Complainant's sales comparables that the assessed rate should be \$188,500/acre because the sales comparables are not similar to the subject property in terms of land designation, location or use. The Board finds the Complainant's one equity comparable assessed at \$280,691/acre is also not similar to the subject property in terms of land designation or use. The Board finds there was no evidence presented by the Complainant to show that the 50.9 acres should be assessed as one parcel. As such, the Board finds there was insufficient evidence presented by the Complainant to suggest that the assessment for the subject property was incorrect.

**Board's Decision:**

The decision of the Board is to confirm the 2011 assessment for the subject property at \$13,230,000.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF NOVEMBER 2011.



Lana J. Wood  
Presiding Officer

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

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

*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	Specialty Property	Cost Approach	Land Value