

**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:

970742 ALBERTA LTD. (as represented by Linnell Taylor & Associates), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Glenn, PRESIDING OFFICER

A. Wong, 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:

ROLL NUMBER: 051065308

LOCATION ADDRESS: 2315 68 ST NE

HEARING NUMBER: 61507

ASSESSMENT: \$2,080,000

This complaint was heard on the 21st day of September, 2011 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 9.

Appeared on behalf of the Complainant: Joel Mayer (Agent)

Appeared on behalf of the Respondent: Shelly Turner (Assessor)

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

No issues of procedure or jurisdiction were raised.

Property Description:

The subject is a local suburban two building multi-tenant retail property including a gas station with car wash, comprising 6,169 SF, built in 1989, located in the far north east area of the City.

Issues:

Whether the subject property is properly assessed.

Complainant's Requested Value:

\$1,810,000 or, \$1,780,000 or, \$1,680,000, each using different approaches.

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

The subject property is assessed using the Cost Approach. The Complainant suggests using the Income Approach. The subject property was fully functional as a gas station and retail convenience store as of December 31st, 2010.

The Complainant presents a fair amount of rent data, including data on several comparables, and all of which support a lower rate per square foot. They also present a pro forma calculation, which relies on potential gross and effective gross income figures, and which argues to support their contention that an Income Approach calculation should be used to determine value.

The Complainant also provided 2 comparables which relied on the Direct Comparison Approach. Both of these comparables showed a sale price per square foot much lower than the subject assessment. The second comparable showed a sale price per square foot that is almost identical to the requested value conclusion from the Income Approach.

In addition, the Complainant argues the Land Value (Cost) Approach. Two comparables are presented, and both closely bracket the effective date. One comparable is in the extreme north east, the other in the extreme south east. The Weighted Mean Sale Price per acre is \$591,723.

After briefly considering various factors, the Complainant suggests a land value of \$1,000,000 per acre, with the subject comprising 1.065 acres. The Complainant then adds the value of the improvements (as provided by the Respondent) in the amount of \$615,242, for a total suggested value of \$1,680,302.

In a summary of the Complainant's position, they suggest a value of \$1,810,000 if the Income Approach is used, a value of \$1,780,000 if Direct Comparison Approach is used and a value of \$1,680,000 if the Land Value (Cost Approach) is used.

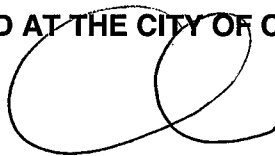
The Respondents position is that the Alberta Assessment Audit Services manual confirms that Gas Stations are to be assessed using the Cost Approach. The Respondent goes on to provide 18 Gas Station comparables, and to comment that the subject is well within the range suggested by the comparables.

The Complainant attempts to rebut the suggestion that the Cost Approach be used, by arguing that the subject has a CRU, and as such should not be considered as a gas station in the strictest sense. The Respondent answers that the gas station comprises 53% of the property, so they argue the subject is a gas station and an additional business.

On deliberation, the Board agreed with the argument of the Respondent that the dominant use of the subject is as a gas station, and therefore it should be assessed according to the Assessment Audit Services manual using the Cost Approach.

The Board also found that the Respondents many comparables were more closely similar to the subject than those of the Complainant. Accordingly, the subject assessment is confirmed in the amount of \$2,080,000

DATED AT THE CITY OF CALGARY THIS 7th DAY OF OCTOBER, 2011.



R. Glenn
Presiding Officer

APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent 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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<i>Decision No. 2338-2011-P Roll No.051065308</i>				
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Retail	Gas Station and CRU	Cost Approach	Net Market Value