

**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:

***Sunwest International Aviation Services Ltd. (as represented by Altus Group Ltd.),
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 2011 Assessment Roll as follows:

ROLL NUMBER:	902014703
LOCATION ADDRESS:	8925 BARLOW TR NE
HEARING NUMBER:	61230
ASSESSMENT:	\$860,000

This complaint was heard on 24 day of October, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *Ms. D. Chabot* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Mr. K. Buckry* *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 a vacant parcel of land, 1.11 acres, and is currently used as an overflow parking lot at the Calgary International Airport.

Issues:

1. The assessed land rate of \$775,000/acre applied to the subject property is incorrect.

Complainant's Requested Value: \$624,000

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

1. The assessed land rate of \$775,000/acre applied to the subject property is incorrect.

The Complainant submitted the subject property is not a typical industrial parcel. It is leased land, located at the airport, and it is encumbered, and cannot be developed as easily as a typical industrial parcel. The airport land use designation is Special Purpose- City and Regional Infrastructure (S-CRI) District. The Complainant presented excerpts from the Land Use Bylaw and compared the permitted and discretionary uses of S-CRI land to Industrial General (I-G) land (Exhibit C1 pages 13 – 25).

The Complainant also submitted an excerpt from a typical land lease between the Calgary Airport Authority and a tenant (Exhibit C1 pages 26 – 40). She pointed out sections that dealt with Electronic and Visual Interference, Approvals Prior to Construction, Vesting of Improvements, Surrender of Leased Premises and Removal of Buildings. She argued these provisions are atypical and therefore require a 25% reduction for restricted use.

The Complainant submitted one NE land sale of 3.33 acres in Freeport, north of the airport, which she argued would have sold without encumbrances. Its sales transaction occurred in July of 2010 for \$2,497,500 or \$750,000/acre (Exhibit C1 page 41). She suggested that should be the base rate and a further 25% reduction is warranted for the restricted use of the subject land parcel.

The Respondent argued the Calgary Airport Authority has complete control to develop whatever it wants with the airport land without having to contact the City of Calgary. Although the lands cannot be sold as they are owned by the Federal Government, he indicated that sales do occur with the buildings.

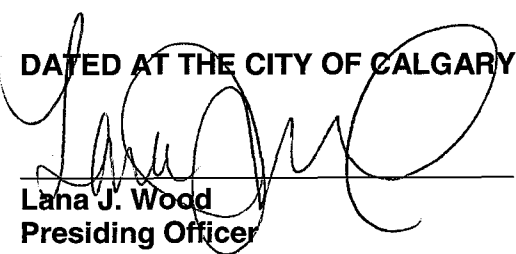
The Respondent submitted 4 airport area land sales (located in the NE quadrant) which occurred in February 2009 – September 2010 in support of the assessed land rate (Exhibit R1 pages 14 & 15). The land parcels, which are I-G lands, are 0.87 – 3.35 acres, and sold for \$775,148 - \$950,000/acre (the median is \$847,344/acre). The Respondent applied the NE Freeport assessed land rate of \$800,000/acre (first 3 acres) and made a downward adjustment for the subject land parcel (Exhibit R1 page 13). He indicated that he had a formula to show how he derived this assessment; however, it was not disclosed prior to the hearing. The Respondent also submitted one comparable of an adjacent property at the airport in which he applied the land rate of \$775,000/acre to support that this rate has been applied in an equitable manner (Exhibit R1 page 15).

The Board finds there was insufficient market evidence provided by the Complainant to warrant a 25% reduction to the subject property's assessment. Notwithstanding, the Board expressed its concerns to the Respondent at the hearing in regards to the lack of transparency in how the assessment for the subject property was derived. The Respondent should have provided meaningful information to the Complainant (and the Board) to support the downward adjustment that he applied to the I-G lands to derive the assessed value for the S-CRI lands (subject property). Otherwise, how can the Assessment Department promote a transparent process if it is not prepared to provide that information to the assessed person or taxpayer? The Respondent acknowledged the Board's concerns and indicated that he would take their comments under advisement.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment for the subject property at \$860,000.

DATED AT THE CITY OF CALGARY THIS 30 DAY OF November 2011.



Lana J. Wood
Presiding Officer

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

EXHIBIT NO.	ITEM
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	Vacant Land	Cost Approach	Land Value