



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:

1023825 Alberta Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. J. Griffin, PRESIDING OFFICER
A. Maciag, BOARD MEMBER
J. Joseph, BOARD MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2013 Assessment Roll as follows:

ROLL NUMBER(S): 068054600

LOCATION ADDRESS: 214 – 6 Ave. SW

FILE NUMBER: 71543

ASSESSMENT: \$4,960,000.

This complaint was heard on the 26th day of June, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- D. Hamilton

Appeared on behalf of the Respondent:

- D. Grandbois

Board's Decision in Respect of Procedural Matters:

There were no matters related to Procedure or Jurisdiction brought forth by either party.

Property Description:

[1] The subject property is an unimproved vacant land parcel that constitutes the undeveloped portion of the site of the Bow Valley Square complex in downtown Calgary. The parcel has a gross site area of 13,999 Sq. Ft. The subject site has a Land Use Designation of DC (Direct Control) with a Floor Area Ratio (FAR) of 8.15:1 and a height restriction of 17 storeys not exceeding 70 metres.

Issue(s):

[2] The Complainant maintains that the current assessment is not equitable with similar land parcels. More specifically, the subject is assessed at the equivalent of \$355/Sq. Ft. of site area yet the parcel directly opposite is assessed at \$319/Sq. Ft. This site opposite, referred to as the Brookfield site, has a FAR of 20 thus affording the parcel considerably more development potential than the subject yet it is assessed at a considerably lower rate per square foot.

Current Assessment(s):

[3] \$ 4,960,000.

Complainant's Requested Value:

[4] \$ 4,460,000.

Board's Decision:

[5] The assessment is **confirmed** at: \$ 4,960,000.

Position of the Parties:Complainant's Position:

[6] The Complainant bases their argument on the Principle of Substitution which states that "when several similar or commensurate commodities, goods or services are available, the one with the lowest price attracts the greatest demand and widest distribution. The principle assumes rational, prudent market behaviour with no undue cost due to delay. According to this principle a buyer will not pay more for one property than for another that is equally desirable" (Exhibit C1 pg. 6). The Complainant goes on to suggest to the CARB that the subject parcel, having a lower FAR and also having a height restriction is less desirable than the larger parcel directly opposite that has an announced twin tower development achieving a FAR of 20 with no height restrictions. The Complainant pointed out that they do not take issue with the base land rate applied to the DT1 (Downtown 1) assessment area (\$355/Sq. Ft.) but rather that their case is based upon equity and common sense.

Respondent's Position:

[7] The Respondent introduced (Exhibit R1 pg. 17) their 2013 Downtown Land Rates chart which summarizes the base land rate applied in the various downtown assessment zones including DT1, wherein the subject is located, at \$355/Sq. Ft. The Respondent also introduced (Exhibit R1 pg. 19) a copy of the 2013 DT Land Influences, highlighting the -15% adjustment applied for LRT influence and the +5% adjustment applied for corner influence. The Respondent went on to explain to the CARB that the 'Brookfield site' had been assessed with the base rate of \$355/Sq. Ft. but that rate was then adjusted to account for the LRT influence as well as the corner lot influence resulting in a net 10% reduction to the assessed base rate resulting in the applied \$319/Sq. Ft. The Respondent explained that while the LRT does not run on 6th Avenue SW the site had been granted that influence as it had been amalgamated with portions of the site which do in fact front 7th Avenue where the LRT influence is applied. In terms of the achieved FAR the Respondent pointed out that most, if not all, DT1 land parcels start out with an allowable FAR of approximately 8x but bonusing opportunities can result in achieving an FAR as high as 20x and this is what had occurred with the 'Brookfield site'.

Board's Decision Reasons:

[8] The CARB accepts the explanation of the Respondent in terms of how the base rate of \$355/Sq. Ft. had been applied to the subject and that it was also the starting point for the comparable site located directly opposite (Brookfield site). Application of the various adjustment factors is a reasonable and understandable process. The Complainant produced no market evidence to support their case, but rather relied upon the aforementioned Principle of Substitution. The CARB is fully aware of the aforementioned Principle; however, the explanation of how the assessment of the comparable 'Brookfield site' had been established convinced the CARB that equity had been achieved as both properties had started out with the same base land rate. The subject parcel is not a corner parcel nor does it have any LRT influence so it makes perfect sense that it would not benefit from those adjustments.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF July 2013.


C. J. Griffin, 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.*

For MGB Administrative Use Only

Municipality: Calgary

Decision No. 71543/P-2013

Roll Nos: **068054600****Property Type****Property Sub-Type****Issue****Sub-Issue**

Commercial

Vacant Land

Equity

FAR