

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:

Rent-Rite Truck Rentals Ltd. (as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

J. Massey, BOARD MEMBER

R. Deschaine, BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER: 098015902

LOCATION ADDRESS: 6118 30 ST SE

FILE NUMBER: 72293

ASSESSMENT: \$1,250,000

This complaint was heard on the 22nd and 23rd days of October, 2013 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:

- D. Mewha (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- J. Tran (City of Calgary)
- F. Taciune (City of Calgary)

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

- [1] There were no concerns with the board as constituted.
- [2] The Complainant has visited the site, while the Respondent has not.
- [3] The parties have discussed the file.
- [4] The Complainant requested that all evidence and argument be carried forward from Hearing #72457 to this Hearing.

Preliminary Matter:

[5] In reviewing the File, prior to the Complainant's presentation of its evidence, it was noted that the "Assessed Person" on the 2013 Property Assessment Notice was Rent-Rite Truck Rentals Ltd. and that the "Assessed Person" on the Assessment Complaints Agent Authorization form was 676733 Alberta Ltd./Harmin Holdings Ltd. There was nothing in the File to establish a connection between Rent-Rite Truck Rentals Ltd. and 676733 Alberta Ltd./Harmin Holdings Ltd. The Hearing was adjourned to 9:00 am October 23, to allow the Complainant time to provide evidence of the connection.

[6] The Hearing reconvened at 9:00 am on October 23, at which time the Complainant provided the following documents:

1. Copy of a Certificate of Amalgamation dated May 1, 2006 wherein 676733 Alberta Ltd. was amalgamated into Rent-Rite Truck Rentals Ltd.
2. Certificate of Title for the subject property noting Rent-Rite Truck Rentals Ltd and Harmin Holdings Ltd. are the property owners each "as to an undivided ½ Interest".

Property Description:

[7] The subject property is a 0.69 acre vacant land parcel located in the Foothills Industrial community in SE Calgary. The Land Use Designation is C-COR3 f1.0h16. The subject is assessed as Land Only and is adjusted +5% for "Corner Lot" influence and -25% for "Limited/Restricted Access" influence.

Issues:

[8] An "assessment amount" and "an assessment class" were identified on the Assessment Review Board Complaint Form as the matters that apply to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely: "the assessment of the subject property is in excess of its market value for assessment purposes".

Complainant's Requested Value: \$650,000 (Complaint Form)
\$691,000 (Hearing)
\$863,000 (Alternate at Hearing)

Board's Decision:

[9] The 2013 assessment is confirmed at \$1,250,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000, Section 460.1:

- (2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection(1)(a).

MGA requires that:

293(1) In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) requires that:

2 An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

4(1) The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

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

Issue: What is the market value, for assessment purposes? The subject is assessed at \$1,250,000 while the Complainant is requesting \$691,000 or \$863,000 alternatively.

Complainant's Position:

[10] The Complainant, at page 7, provided the Property Assessment Detail Report, noting the subject land value is adjusted +5% for "Corner Lot" and -25% for "Limited/Restricted Access" influences.

[11] The Complainant, at page 17, provided a table titled, 2013 Non-Residential Industrial Land Influence Adjustments. The table describes the "Influence", the "Influence Description" and the "Influence Adjustment" that is to be applied to the base land rate, to determine the market value.

[12] The Complainant, at page 18, provided a table titled, 2013 Non-Residential Commercial Land C-COR Sale Analysis. The table contains details of 9 sales that occurred in the period March 6, 2010 to January 26, 2012. The sales were used to derive the C-COR base land rates for the 2013 assessment.

[13] The Complainant, at page 19, provided a table titled, 2013 Non-Residential Commercial Land C-COR Sale Analysis, advising that the table is a reproduction of the City table with the land sale for 2020 34 AVE SW removed, because it was too small to be considered comparable. In addition, the Complainant added columns headed FAR, TASP Rate Buildable, Max Buildable, City Influence(s) and Traffic Influence. The Complainant submitted that the comparables, with one exception, have a higher (FAR) than the subject, and as a result, have the ability to support larger improvements. The Complainant, using the FAR and the TASP, calculated the TASP per Maximum Buildable area. The Complainant noted the median TASP Rate per Max Buildable sf was \$23.00. The Complainant requested the \$23.00 psf rate be applied to the Max Buildable Area of the subject property (30,056 sf) to arrive at a requested assessment of \$691,000.

[14] Alternatively, the Complainant submitted that because the FAR for the subject is only 1.0, that the subject, in fact, has a "Land Use Restriction" and should receive a -25% adjustment.

Respondent's Position:

[15] The Respondent's Disclosure is labelled R-1.

[16] The Respondent, at page 12, provided a table titled, 2013 Commercial Land Values. The table is used to calculate the base land values for the 2013 assessments. The Respondent noted the land value for the subject (C-COR) is calculated by multiplying the first 3,000 sf by \$122.00 psf, the next 17,000 sf by \$65.00 psf and the remainder by \$10.00 psf.

[17] The Respondent, at page 14, provided a table titled, Commercial Land Sales 2013. The table contains details of 9 sales that occurred in the period March 6, 2010 to June 22, 2012. The sales information is used to derive the base land rates for the 2013 assessment.

[18] The Respondent, at page 15, provided two tables, titled Method One-City Method and Method Two-Altus Method. The City Method used the parcel size to determine the TASP/SF, whereas the Altus Method used the FAR to calculate the Max Buildable SF and then calculated the TASP/Buildable SF. The Respondent, at the bottom of page 15, provided an assessment to sale ratio (ASR) chart to demonstrate that the City Method produced acceptable results with a median of 1.0139.

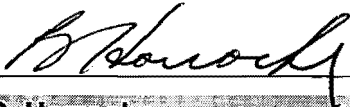
Board's Reasons for Decision:

[19] The Board finds the Complainant's FAR argument is acceptable in theory, but there is nothing in evidence to demonstrate how a significant development on a C-COR site took advantage of the available FAR or how the FAR actually affects the sale price.

[20] There is no evidence of a caveat, covenant or Direct Control Bylaw on the subject property to warrant a -25% adjustment for "Land Use Restriction".

[21] The market value for assessment purposes is \$1,250,000.

DATED AT THE CITY OF CALGARY THIS 21st DAY OF November 2013.



B. Horrocks

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C1(Hearing #72457)	Complainant 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 Administrative Use Only

Property Type	Property Sub-Type	Issue	Sub-Issue
Other	Vacant Land	Sales Comparison Approach	Influence Adjustments