



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:

***Lions Gate Group of Companies Ltd. (as represented by Altus Group Limited),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***M. Chilibeck, PRESIDING OFFICER
T. Usselman, BOARD MEMBER
T. Livermore, 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: 119001006

LOCATION ADDRESS: 9559 – 40 ST SE

FILE NUMBER: 73694

ASSESSMENT: \$11,420,000.

This complaint was heard on 12th day of June, 2013 at the office of the Assessment Review Board in Boardroom 3 on Floor Number 4, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *D. Mewha*

Appeared on behalf of the Respondent:

- *I. McDermott*
- *T. Nguyen*

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

[1] Neither party raised any objections to a member of the Board hearing the subject complaint.

[2] Neither party raised any procedural or jurisdictional matters.

Property Description:

[3] The subject property is a parcel of land of 18.77 acres zoned Industrial-General (I-G). It is improved with a warehouse building of 55,810 sq. ft. with 29% office finish, constructed in 1979 and an outbuilding of 8,400 sq. ft. constructed in 1979.

[4] The site coverage is 6.8%. The extra land is 14.53 acres and 4.24 acres is required to support the subject buildings.

Issues:

[5] The Complainant identified several matters that apply to the complaint on the complaint form and attached a schedule listing several reasons (grounds) for the complaint. At the outset of the hearing the complainant advised that only the matter of the assessment amount is under complaint and identified the following issue:

- 1) The subject assessment is in excess of its market value because the land adjustment amount is excessive and in error.

Complainant's Requested Value: \$9,380,000.

Board's Decision:

[6] The Board's decision is to change the assessment to \$10,960,000.

Legislative Authority, Requirements and Considerations:

[7] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of 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).

[8] For purposes of the hearing, the CARB will consider MGA Section 293(1):

In preparing the 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

[9] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA section 293(1)(b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 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

(c) must reflect typical market conditions for properties similar to that property

Assessment Background:

[10] The Subject assessment is determined in two parts; one part is for the building and land at 30% site coverage, at \$4,760,000 and the other part is for the extra land of 14.53 acres, which is considered subdividable, at \$6,660,000.

[11] Extra land (subdividable) is valued at a base rate of \$585,000 per acre for the first ten acres and the balance of the area is valued at 75% of the base rate, less a negative adjustment of 15% for "South Foothills Local Improvement Issues".

[13] Excess land (not subdividable) would be valued at 60% of the base rate of \$585,000 per acre for the first ten acres, less an adjustment of 25% for the next ten acres and less an adjustment of 50% for the balance of the area. There would be an additional negative adjustment of 15% for "South Foothills Local Improvement Issues".

Position of the Parties

Complainant's Position:

[14] The Complainant agreed that extra land could be subdivided from the subject, however disagreed with the Respondent's calculation of the extra amount. It was argued by the Complainant that 9.3 acres could be subdivided versus the Respondent's determination of 14.53 acres.

[15] In comparison to other parcels that were subdivided in the immediate area of the subject, the most likely division of the subject would be into two equal parts, being a north half and a south half. The existing buildings would be on the north half and the south half would be vacant. Both parts would have access from 40th street.

Respondent's Position:

[16] The Respondent argued that 14.53 acres of the subject land could be subdivided after determining that 4.24 acres would be required to support the subject buildings, according to the land use bylaw at 30% site coverage.

[17] The 4.24 acre portion would be situated in the north west corner of the subject parcel with a long narrow access road from 40th street.

[18] The map of the area surrounding the subject parcel shows the subdivisions that have taken place.

Board's Reasons for Decision:

[19] The Board was convinced by the Complainant's argument that two similar parcels could be subdivided; that being a north parcel and a south parcel with both parcels having access from 40th avenue.

[20] The Board finds that to subdivide the subject into four parcels would require the construction of an access road with a cul-de-sac, and if so, an adjustment would be required to reflect this cost.

[21] However, the Board accepts the Respondent's argument that in subdividing the subject into two parcels, there is also excess land (not subdividable) related to the building on the north portion, which the Complainant has not included their valuation.

[22] The Board found the two previous CARB decisions (1454/2010-P & 864/2011-P) relating to the subject property to be persuasive. These decisions dealt with the same issue and rendered a similar decision.

[23] The Board's reduced assessment is calculated as follows:

2) 55,810 sq. ft. building with cover at 30%	\$ 4,680,226
3) 8,400 sq. ft. building	\$ 84,000
4) 5.145 acres of excess land	
@ \$585,000 per acre x 60% x 85%	\$ 1,535,010
5) 9.385 acres extra land @ \$585,000 x 85%	<u>\$ 4,666,691</u>
6) Aggregate Total	\$10,965,927
7) Truncated to:	\$10,960,000.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF JULY 2013.



M. Chilibeck
Presiding Officer

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

FOR MGB ADMINISTRATIVE USE ONLY