

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:

Dynacorp Group Limited
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
Y. Nesry, BOARD MEMBER
P. Cross, BOARD MEMBER

This is a complaint to the Composite Assessment Review Board [the Board] in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

ROLL NUMBER:	033000902
LOCATION ADDRESS:	4515 6A ST NE
FILE NUMBER:	75117
ASSESSMENT:	\$1,940,000

This complaint was heard on the 11th day of August, 2014 at the office of the Calgary Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *S. Cobb* *Agent, Assessment Advisory Group Inc.*

Appeared on behalf of the Respondent:

- *D. Gioia* *Assessor, The City of Calgary*

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

[1] The Board derives its authority to hear this complaint under Section 460.1(2) of the Act. The Board composition is as required under Section 453(1)(c) of the Act. There are no objections from the Complainant or the Respondent with the Board as constituted, its jurisdiction or any party appearing before the Board.

[2] The Board has reviewed the complaint form and has confirmed there is a valid complaint under Section 460(5) of the Act. The Board has confirmed that the representatives before the Board have the authority to act on behalf of the Complainant and the Respondent for this complaint.

[3] The Complainant confirmed that there has not been a discussion with the Respondent about the complaint in an attempt to resolve the complaint issues prior to the hearing because of a lack of time – the Complainant did not receive authorisation from the owner to discuss the assessment in time. However, the Assessment Complaints Agent Authorisation for 2014 was signed on January 13, 2014, which seems to provide ample time to discuss the assessment. The complaint was filed on February 27, 2014.

[4] There was no indication from the Respondent that information requested from the Complainant pursuant to Section 295 or 296 of the Act was not provided.

[5] The Complainant, on their complaint form, indicated that information requested from the Respondent pursuant to Section 299 or 300 of the Act was not provided; however, no details are provided to the Board and the Board was not requested to make a ruling on that matter.

[6] There are no additional preliminary, procedural, or jurisdictional issues. The merit hearing proceeded.

Property Description:

[7] The subject is an industrial property containing 18,037 square feet of assessable land area, located in the northeast community of Greenvue Industrial Park. It is stratified within the Non-Residential Zone [NRZ] of GV1. There is one building on the subject property built in 1960 with 10,429 square feet. There are two units within the building, which is deemed to be single tenanted (IWS). There is 13.8% office finish with the overall building quality deemed to be a 'C-'.

The site coverage is 53.99%, which is higher than typical with no adjustment made.

[8] The subject is assessed using the Direct Sales Comparison Approach to Value.

Issues:

[9] The single issue before the Board is the assessment amount with the Complainant requesting a value of \$128 per square foot versus the \$199 per square foot assessment.

Complainant's Requested Value: \$1,330,000

Board's Decision:

[10] The Board found the correct value to be \$128 per square foot and adjusted the assessment to the requested \$1,330,000.

Legislative Authority, Requirements, and Considerations:

The Municipal Government Act

Revised Statutes of Alberta 2000 Chapter M-26

Interpretation

1(1) *In this Act,*

(n) *"market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;*

Position of the Parties

Complainant's Position:

[11] The Complainant argued that the assessment of the subject is incorrect and fails to meet the legislated standard of Market Value and also fails to meet the requirements for equity in assessment.

[12] The Complainant presented four sales comparable properties near to the subject and used them for comparable equity properties too. The result is a median of \$128 per square foot on a sales basis. Supporting documentation is provided (C1 pp. 9-30).

Respondent's Position:

[13] The Respondent argued that the assessment is correct, fair and equitable and should be confirmed.

[14] The Respondent restated the Complainant's sales and equity comparable properties with a Time Adjusted Sale Price [TASP], which compared to the assessments produced an ASR range of 0.89 to 1.20. The Respondent indicated that the Land Use Designations [LUD] of Industrial – Redevelopment [I-R] and Industrial – Edge [I-E] is significantly different than

Industrial – General [I-G] of the subject; however, no evidence is provided and the Respondent was unable to answer any questions regarding the differences (R1 pp. 16-17).


[15] The Respondent provided a sales chart with four comparable properties from the Central and NE regions with a median TASP per square foot value of \$191.29. The site coverage range was 21.90% to 37.33% (R1 p. 19).

[16] The Respondent disclosed four equity comparable properties, all with similar attributes, including; building type, land area, land use designation, footprint, number of units, actual year of construction, region, office finish, and site coverage. The range of assessments is \$166.44 to \$225.59 per square foot. The median value is \$218.32 per square foot and the mean is \$207.17 per square foot (R1 p. 21).

Board's Reasons for Decision:

[17] The Board is persuaded by the argument and evidence of the Complainant that the subject is not assessed correctly. The Respondent failed to explain why the sales provided by the Complainant are not comparable even though they are near the subject, had similar uses and LUD. The median value is \$128 per square foot versus the assessed \$186 per square foot. The Complainant's request is significantly lower than the assessment at a 31% reduction; however, based on the sales information, the Complainant has provided a reasonable market value for the Board to consider, which the Board accepted.

DATED AT THE CITY OF CALGARY THIS 19th DAY OF September 2014.



Jeffrey Dawson

Presiding Officer

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

NO.	ITEM
1. C1 – 30 pages	Complainant Disclosure
2. R1 – 48 pages	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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Single Tenant	Sales Approach	Land & Improvement Comparables