



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:

Southland Crossing Shopping Centre Ltd. (*as represented by Altus Group Ltd.*),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Board Chair; J. Zezulka
Board Member; R. Deschaine
Board Member; D. Julien

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 2014 Assessment Roll as follows:

ROLL NUMBER: 124191503

LOCATION ADDRESS: 9815 Macleod Trail SW

FILE NUMBER: 76035

ASSESSMENT: \$349,500

This complaint was heard on 25 day of August, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- K. Fong; Agent, Altus Group

Appeared on behalf of the Respondent:

- E. Deltorio; Assessor, City of Calgary

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

- (1) At the request of both parties, all information and argument pertaining to file number 75375 was carried forward for purposes of this complaint.

Property Description:

(2) The subject property is an undeveloped, triangular shaped, elongated site, having an area of 17,405 square feet (s.f.), located in the Haysboro community of SW Calgary. The site measures approximately 500 feet from north to south, with a maximum width of 75 feet along the south boundary. The Land Use Classification is Commercial Corridor-3. The site runs along Macleod Trail, and partly provides access to the Southland Crossing shopping centre. The site has limited use and is set aside by the City for future road expansion.

(3) The subject site is assessed using the sales comparison approach to value, using typical land rates for the Commercial Corridor-3 district. Negative adjustments have been applied for shape (25%), limited access (25%), and residual parcel (25%).

Issues / Appeal Objectives

(4) The basis of this complaint is the notion of "nominal" value, similar to the historic City policy of assigning nominal values to parcels that provide parking space for adjacent or nearby buildings in accordance with the requirements of the current Land Use Bylaw. The subject does not provide parking per se'. However, it is leased from the City, and supplements some limited parking spaces along the east boundary of the Southland Crossing property. It also provides a landscaped buffer from Macleod Trail, and provides an access driveway off Macleod trail.

(5) The Southland Crossing property was not included with the complaint filed on the subject.

Complainant's Requested Value:

- (6) \$1,000

Board's Decision:

- (7) The assessment is reduced to \$1,000.

Legislative Authority, Requirements and Considerations:

- (8) This Board derives its authority from section 460.1(2) of the Act.
- (9) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAT), states as follows;
"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"
- (10) Section 467(3) of the Act states;
"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration
(c) the assessments of similar property or businesses in the same municipality."
- (11) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

Position/Evidence of the Parties**Complainant's Position:**

- (12) The Complainant's position is that the subject property is used exclusively for parking and access by the occupants of the adjacent property. The site is 'linked' to the parent parcel by virtue of a lease from the City. The Complainant argues that the assessment of the subject is already captured in the income based assessment of the power centre.
- (13) The Complainant presented an assessment history of the subject that demonstrated that the subject's assessment was \$750 from 2009 to 2011, and \$1,000 in 2012 and 2013. In the current year, the assessment increased to \$349,500..
- (14) The Complainant also submitted examples of other properties wherein the value of the parking parcels was deducted from the assessment of the income based assessment of the parent parcel as a parking deficiency.
- (15) The Complainant also submitted equity examples of large improved parcels with adequate parking to meet the requirements of the Land Use Bylaw. These three are on single titled parcels, and in that respect, are different that the subject's two separately titled parcels. However, the Complainant correctly argues that, from a practical perspective, the situation is the same as the subject in that a portion of the holding accommodates the building, and the balance of the holding provides parking and/or other uses. In the examples provided by the Complainant, there is no overlap in assessments as there is in the subject situation.

Respondent's Position:

- (16) The Respondent explained that there is no longer a nominal value policy in the City because MRAT states that the valuation standard for land is market value.
- (17) The Respondent submitted 17 examples of similar parcels throughout the City that have

been assessed at market levels for the 2014 tax year. These parcels range in size from 4,873 to 75,183 s.f. However, there is no evidence to suggest that the value of the examples provided were not deducted from the income based assessment of the dominant parcel.

Board's Reasons for Decision:

(20) The use the subject property to the benefit of the adjacent property is protected by lease. There is also a Project Development Agreement protecting the use of the subject parcel for future interchange purposes.

(21) The Respondent argues that the test for assessment is "Market Value", as specified in MRAT. However, the Act requires the assessor to apply the valuation standard in a fair and equitable manner. Based on the evidence presented, it is this Board's conclusion that the standard has not been applied in the manner specified.

(22) The site area was provided to the Board by both parties as 17,405 s.f. However, the extreme proportions of the site are such that the site is rendered undevelopable from a practical perspective. Universally, the concept of "market value" revolves around the concept of utility.

(23) Furthermore, the fact that the subject has been set aside by the City for future roadway expansion is an equally important consideration. Typically, there is no open, competitive market for public use lands, simply because any form of development is precluded by the planning authorities. No doubt, this site has some value to the Southland Crossing property for parking, green space, and access. Intuitively, however, no one is likely to pay \$349,500 for a site that is physically undevelopable, and is destined for roadway expansion some time in the future.

(24) For reasons of fairness, as well as the subject site's very limited utility on account of planning and physical reasons, the assessment is reduced to the \$1,000 nominal amount.

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF September 2014.



for Jerry Zezulka
Presiding Officer

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

Decision No. CARB 76035P/2014			Roll No. 124191503	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Land	Undevelopable land due to shape and planning reasons	N/A	Valuation Methodology Nominal value