

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:

Empire Truck Parts (1985) Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER
A. Huskinson, BOARD MEMBER
J. Lam, BOARD MEMBER

This is a complaint to the Composite 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: 627004203

LOCATION ADDRESS: 5717 - 84 Street SE

FILE NUMBER: 76070

ASSESSMENT: \$4,400,000.

This complaint was heard on 19th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- S. Cobb (Agent - Assessment Advisory Group Inc.)

Appeared on behalf of the Respondent:

- D. Kozak (Assessor – City of Calgary)

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

[1] There were no matters related to Procedure or Jurisdiction brought forward by either party.

Property Description:

[2] According to the Property Assessment Detail Report (Exhibit C1, pg. 5) the subject property is an industrial property that features a 'C+' warehouse type building of 4,512 Sq. Ft. and a 'C+' outbuilding of 1,862 Sq. Ft. which are located on an underlying site of 18.38 partially serviced acres. The two buildings were constructed in 1981 and 1980 respectively. The subject property has been classified as being 'special purpose' so it has been valued, for assessment purposes, via the Cost Approach.

Issues:

[3] The Complainant brought forward the following issue to be considered by the CARB:

- 1) The subject property is currently assessed, as a result of application of the Cost Approach, with a base land rate \$310,147/acre to which a 25% reduction has been applied to account for only partial services (Exhibit C1 pg. 6). The Complainant indicated to the CARB that it is this land value that forms the basis for this Complaint and that the improvements value is not being contested. The Complainant maintains that the assessed value is not representative of Market Value nor is it equitable with similar properties in close proximity.

Complainant's Requested Value: \$3,990,000. (Revised at the Hearing)

Board's Decision:

[4] The Assessment is **Confirmed** at **\$4,400,000**.

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

[5] The Complainant contends that the land value applied to the assessment of the subject property is too high and in support of this contention introduced (Exhibit C1 pg. 12) a Comparable Analysis Chart which shows summary information pertaining to 3 sales comparables. Two of these comparable properties are located within the City limits while the one is in the County of Rockyview. The first comparable that is located within the city is a 12.034 acre parcel of land located in the partially serviced East Sheppard Industrial Park that was, according to verbal information provided by the Complainant, sold in December of 2011 for approximately \$259,900/acre. The second comparable from within the city is a 19.649 acre parcel located at 11977- 154 Ave. SE in an undeveloped area. This property was verbally reported sold in May of 2013 for approximately \$40,700/acre. The third property is a 22.20 acre parcel of land that is located within the County of Rockyview approximately 25 blocks east of the subject property. This property was verbally reported sold in March of 2013 for approximately \$130,500/acre. This information forms the basis for the Complainant's requests that the assessed value of the subject property be reduced.

Respondent's Position:

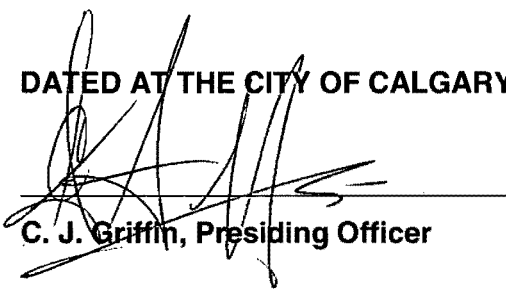
[6] The Respondent started his presentation by explaining to the Board that the reason the assessment of the subject property increased so dramatically (+96%) over the past year is due to the land being re-classified from S-FUD (Special Future Urban Development) to S-FUD3 which refers to (Exhibit R1 pg. 23) Short Term as opposed to Long Term, Medium Term or Immediate. The Short Term is further defined on this same page of the referenced Exhibit R1, as: *"Planned land supply and may or may not have full servicing capacity available yet in portions of the Area Structure Plan. Portions of the Area Structure Plan likely to be developed within 15 years"*. The base land rate for these various S-FUD categories, also page 23 of the Exhibit, indicates \$250,000/acre for S-FUD3. The Respondent then introduced (Exhibit R1 pg. 26) a sales chart containing the summaries of 16 S-FUD3 parcels. The Mean of these sales is \$259,455/acre and the Median is \$262,500. This information is the basis for the Assessor's assessed base land rate of \$250,000/acre for S-FUD3 lands.

Board's Reasons for Decision:

[7] The CARB found the Complainant based his requested base land rate on one sale (Exhibit C1 pg. 12 Comparable #1) of a 12.034 acre parcel of land located in the East Sheppard Industrial area which was reportedly sold at \$259,914/acre in December of 2011. The CARB agrees that this is indeed the Complainant's best comparable; however, the Complainant has not applied any time adjustment to this sale which the Board found to be an error. Additionally, the Complainant has reduced the unadjusted sales price by 25% to account for the lack of services and the Board finds this also is an error. The unadjusted price paid for the land is indicative of the value of this partially serviced land, which is so identified by the Complainant's sales support document (Exhibit C1 pg 15 - Land Use Details), and no further adjustment should be made to account for the lack of services. The Complainant is double counting by

adjusting the sales price to account for the lack of services. Accordingly the Complainant has failed to provide the CARB with sufficient evidence to warrant an adjustment to the current assessed value.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF September 2014.


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.*

CARB Identifier Codes

Decision No. 76070P-2014			Roll No. 627004203	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Industrial	Special Purpose Property	Market Value	Land Value

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