



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:

Cross-Roads Oils Canada Ltd.
(as represented by Colliers International Realty Advisors Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER
T. Livermore, BOARD MEMBER
R. Kodak, 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 2014 Assessment Roll as follows:

ROLL NUMBER:	137038808
LOCATION ADDRESS:	11550 44 ST SE
FILE NUMBER:	76675
ASSESSMENT:	\$6,650,000

This complaint was heard on the 6th day of August, 2014 in Boardroom 6 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- T. Howell (Colliers International Realty Advisors Inc.)

Appeared on behalf of the Respondent:

- K. Ivinac (City of Calgary)
- G. Jones (City of Calgary)

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

- [1] There were no concerns with the Composite Assessment Review Board (CARB) as constituted.
- [2] The parties have visited the site.
- [3] The parties have not discussed the file.
- [4] There were no preliminary matters. The merit hearing proceeded.

Property Description:

[5] The subject property is a 6.72 acre parcel located in the East Shepard Industrial community in SE Calgary. The site is improved with a 50,447 square foot (sf) industrial building that was constructed in 2001 and is classified 'C' quality. The Land Use Designation is Industrial – General and the Sub property Use is CM0701 Retail Vehicle/Accessories – Car Dealership.

[6] For the 2014 tax year the subject property was assessed at \$6,650,000 using the Cost Approach to Value, which equates to a rate of \$131.82 per square foot (psf).

Issues:

[7] An assessment amount was identified on the Assessment Review Board Complaint Form as the matter that applies to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely; market value.

Complainant's Requested Value: \$5,785,500 (Complaint Form)
\$4,540,000 (Hearing)

CARB's Decision:

- [8] The 2014 assessment is confirmed at \$6,650,000.

Legislative Authority, Requirements and Considerations:

The CARB derives its authority from the Act, Section 460.1:

- (2) *Subject to section 460.1(1), 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).*

The Act 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*

CARB's Decision in Respect of Each Matter or Issue

Issue: What is the market value of the subject property, for assessment purposes?

Complainant's Position:

[9] The Complainant's Disclosure is labelled C-1.

[10] The Complainant submitted that it did not request the Cost Approach details early enough in the process and as a result they were not examined. The Complainant used the Sales Comparison Approach to Value to estimate the market value.

[11] The Complainant, on page 38, provided a table titled Direct Sales Analysis – Time Adjusted. The table contains sale details of three comparables that had occurred in the period January 31, 2011 to March 27, 2013. The time adjusted sale price per square foot (TASP/sf) ranged from \$77.83 to \$101.29. The median TASP/sf was \$87.91. The Complainant requested the subject property be assessed at the rate of \$90.00 psf.

Respondent's Position:

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

[13] The Respondent submitted the subject property assessment was prepared using the Cost Approach to Value because it was "purpose built" and further that automotive dealerships are similarly assessed. For discussion purposes, the Respondent assumed that the property was assessed as an industrial warehouse and that the property was no longer being used as an automotive dealership.

[14] The Respondent, on page 20, provided a table titled Industrial Quality Sweep which equates the actual year of construction (AYOC) to a quality classification. The Respondent noted the subject improvement was constructed in 2001 and as such it would be classified 'A-' quality.

[15] The Respondent, on page 19, provided a table titled Complainant Industrial Sales Chart noting the Complainant's comparables were all C+ quality, while the subject is A- quality. In addition the comparables are all smaller, older and have significantly higher site coverage than the subject.

[16] The Respondent, on page 21, provided a table titled City's Industrial Sales Chart. The table contains sale details of three comparables that occurred in the period November 3, 2011 to March 1, 2013. The TASP/sf ranged from \$146.08 to \$183.71. The median TASP/sf was \$146.08. The Respondent noted the subject is assessed at the rate of \$131.82 psf, below the range.

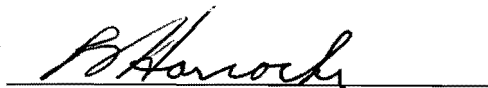
CARB's Findings:

[17] The CARB finds the Respondent's sale comparables are superior to the Complainant's sale comparables. They are the same quality, similar size and bracket the subject in site coverage. Further, the analysis suggests that the subject may be under assessed.

CARB's Reasons for Decision:

[18] The Respondent's market evidence was more compelling.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF August 2014.



B. Horrocks

Presiding Officer

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

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.*

For Administrative Use Only

Property Type	Property Sub-Type	Issue	Sub-Issue
<i>Retail</i>	<i>Automotive Services</i>	<i>Market Value</i>	<i>Cost Approach</i>