

CALGARY ASSESSMENT REVIEW BOARD DECISION WITH REASONS

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

***12th Avenue Property General Partner Ltd. and Curtis Block GP Ltd.
(as represented by Altus Group Ltd.), COMPLAINANTS***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
D. Julien, MEMBER
J. Pratt, MEMBER***

These are complaints to the Calgary Assessment Review Board in respect of the property assessments prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

Roll Numbers	Location Addresses	Owners	Hearing Numbers	2011 Assessments
068121102	628-12 AV SE	12 th Avenue Property General Partner Ltd.	63308	\$720,000
068121201	626-12 AV SE	12 th Avenue Property General Partner Ltd.	63311	\$730,000
068121300	624-12 AV SE	12 th Avenue Property General Partner Ltd.	63314	\$710,000
068121805	610-12 AV SE	12 th Avenue Property General Partner Ltd.	63317	\$1,010,000
068121904	606-12 AV SE	12 th Avenue Property General Partner Ltd.	63321	\$1,010,000
068122803	525-11 AV SE	12 th Avenue Property General Partner Ltd.	63324	\$649,000
068124205	520-12 AV SE	12 th Avenue Property General Partner Ltd.	63327	\$710,000
068124304	518-12 AV SE	12 th Avenue Property General Partner Ltd.	63328	\$913,000
068124403	514-12 AV SE	12 th Avenue Property General Partner Ltd.	63330	\$608,500
068124601	508-12 AV SE	12 th Avenue Property General Partner Ltd.	63331	\$1,010,000
068125707	321-11 AV SE	12 th Avenue Property General Partner Ltd.	63333	\$1,010,000
068125806	323-11 AV SE	12 th Avenue Property General Partner Ltd.	63336	\$1,010,000
068125905	327-11 AV SE	12 th Avenue Property General Partner Ltd.	63338	\$1,010,000
068126705	328-12 AV SE	12 th Avenue Property General Partner Ltd.	63340	\$1,260,000
068126804	322-12 AV SE	Curtis Block GP Ltd.	63342	\$1,010,000
068140904	209-12 AV SE	Curtis Block GP Ltd.	63361	\$1,020,000
068141506	231-12 AV SE	Curtis Block GP Ltd.	63368	\$579,500
068141605	1203- MACLEOD TR SE	Curtis Block GP Ltd.	63369	\$2,860,000

These complaints were heard on 27 day of June, 2011 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:

- *Ms. S. Sweeney- Cooper* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Mr. D. Satoor* *Assessor, City of Calgary's Assessment Branch*

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

The parties requested that the 18 complaints be heard together as the evidence and argument would be similar for all complaints. The Board agreed with the parties request and designated file #63308 as the master file.

Property Descriptions:

The subject properties are vacant land parcels that range between 0.08- 0.32 acres (3,498-13,994 sq. ft) in size. They are located in the Victoria Park area of the Beltline Community. The land use designation is CC-X, Centre City Mixed Use District.

There are 18 properties before the Board. Three of the properties are located in Beltline Zone 2 and were assessed at a base rate of \$195 psf. This includes the property located at 1203 MacLeod TR SE (roll #068141605); 209 12 AV SE (roll #068140904); and 231 12 AV SE (roll #068141506). The remaining 15 properties are located in the Beltline Zone 1 and were assessed at a base rate of \$145 psf.

Issues:

1. The assessment of the subject properties is in excess of its market value.
2. The assessment has not adequately recognized lack of market demand for redevelopment. The assessed rate inadequately reflects the present value of potential future development.

Complainant's Requested Values:

Roll Numbers	Location Addresses	Owners	Hearing Numbers	2011 Assessments	Requested Values
068121102	628-12 AV SE	12 th Avenue Property General Partner Ltd.	63308	\$720,000	\$372,525
068121201	626-12 AV SE	12 th Avenue Property General Partner Ltd.	63311	\$730,000	\$377,850
068121300	624-12 AV SE	12 th Avenue Property General Partner Ltd.	63314	\$710,000	\$367,350
068121805	610-12 AV SE	12 th Avenue Property General Partner Ltd.	63317	\$1,010,000	\$525,375
068121904	606-12 AV SE	12 th Avenue Property General Partner Ltd.	63321	\$1,010,000	\$525,300
068122803	525-11 AV SE	12 th Avenue Property General Partner Ltd.	63324	\$649,000	\$335,925
068124205	520-12 AV SE	12 th Avenue Property General Partner Ltd.	63327	\$710,000	\$367,350
068124304	518-12 AV SE	12 th Avenue Property General Partner Ltd.	63328	\$913,000	\$472,425
068124403	514-12 AV SE	12 th Avenue Property General Partner Ltd.	63330	\$608,500	\$314,850

068124601	508-12 AV SE	12 th Avenue Property General Partner Ltd.	63331	\$1,010,000	\$524,850
068125707	321-11 AV SE	12 th Avenue Property General Partner Ltd.	63333	\$1,010,000	\$524,700
068125806	323-11 AV SE	12 th Avenue Property General Partner Ltd.	63336	\$1,010,000	\$524,700
068125905	327-11 AV SE	12 th Avenue Property General Partner Ltd.	63338	\$1,010,000	\$524,700
068126705	328-12 AV SE	12 th Avenue Property General Partner Ltd.	63340	\$1,260,000	\$655,800
068126804	322-12 AV SE	Curtis Block GP Ltd.	63342	\$1,010,000	\$524,700
068140904	209-12 AV SE	Curtis Block GP Ltd.	63361	\$1,020,000	\$393,600
068141506	231-12 AV SE	Curtis Block GP Ltd.	63368	\$579,500	\$393,600
068141605	1203- MACLEOD TR SE	Curtis Block GP Ltd.	63369	\$2,860,000	\$1,049,550

Board's Decision in Respect of Each Matter or Issue:

1. The assessment of the subject properties is in excess of its market value.

The Complainant submitted the subject properties could not achieve \$145 psf or \$195 psf in the open market and requested that the base rate be changed. She submitted the highest and best use of these lands would be parking lots, although the City has refused parking permits for these properties. The Complainant derived an income approach to value for the Board's consideration since there were no sales in the area (Exhibit C1 page 121). Based on 300 sq. ft. parking stalls, she applied a "going rate" of \$150.00 for parking, a reduction for annual maintenance and deductible (-25%) and a capitalization rate of 6% which results in a land rate of \$75.00 psf.

The Respondent submitted that the Complainant failed to present evidence to substantiate the capitalization rate of 6%, the parking rate of \$150/stall, the proposition that vacant land parcels sell based on income from parking revenues or has established any kind of benchmark within the market for its requested land rate of \$75.00 psf. As such, the Complainant has not met onus in this instance.

The Respondent indicated that 6 of the subject properties had sold in February 2010 for \$19,500,000 in a non-arm's length transaction (Exhibit R1 pages 45- 48). The Respondent also submitted two court ordered sales of similar sized properties, located near the subject properties, which had transacted for higher prices than the current assessed land rates (Exhibit R1 pages 55- 66).

The Board finds the methodology used by the Complainant is flawed for several reasons: firstly, the annual maintenance and deductible (-25%) is only used for parkades; secondly, the net operating income is established using the land area divided by the number of stalls; thirdly, the capitalization rate is from the Centennial Building which is based on the income approach. As such, the Board finds the Complainant's income approach to value was insufficient to warrant a change in the assessments.

2. The assessment has not adequately recognized lack of market demand for redevelopment. The assessed rate inadequately reflects the present value of potential future development.

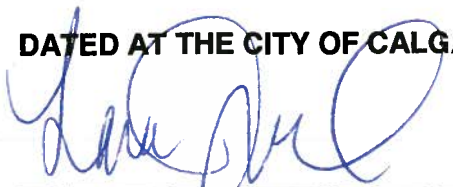
Given the Board's decision on issue 1, it is not necessary to make further findings in this matter.

Board's Decision:

The decision of the Board is to confirm the 2011 assessments for the subject properties as follows:

Roll Numbers	Location Addresses	Owners	Hearing Numbers	Board Decision	2011 Assessments
068121102	628-12 AV SE	12 th Avenue Property General Partner Ltd.	63308	Confirmed	\$720,000
068121201	626-12 AV SE	12 th Avenue Property General Partner Ltd.	63311	Confirmed	\$730,000
068121300	624-12 AV SE	12 th Avenue Property General Partner Ltd.	63314	Confirmed	\$710,000
068121805	610-12 AV SE	12 th Avenue Property General Partner Ltd.	63317	Confirmed	\$1,010,000
068121904	606-12 AV SE	12 th Avenue Property General Partner Ltd.	63321	Confirmed	\$1,010,000
068122803	525-11 AV SE	12 th Avenue Property General Partner Ltd.	63324	Confirmed	\$649,000
068124205	520-12 AV SE	12 th Avenue Property General Partner Ltd.	63327	Confirmed	\$710,000
068124304	518-12 AV SE	12 th Avenue Property General Partner Ltd.	63328	Confirmed	\$913,000
068124403	514-12 AV SE	12 th Avenue Property General Partner Ltd.	63330	Confirmed	\$608,500
068124601	508-12 AV SE	12 th Avenue Property General Partner Ltd.	63331	Confirmed	\$1,010,000
068125707	321-11 AV SE	12 th Avenue Property General Partner Ltd.	63333	Confirmed	\$1,010,000
068125806	323-11 AV SE	12 th Avenue Property General Partner Ltd.	63336	Confirmed	\$1,010,000
068125905	327-11 AV SE	12 th Avenue Property General Partner Ltd.	63338	Confirmed	\$1,010,000
068126705	328-12 AV SE	12 th Avenue Property General Partner Ltd.	63340	Confirmed	\$1,260,000
068126804	322-12 AV SE	Curtis Block GP Ltd.	63342	Confirmed	\$1,010,000
068140904	209-12 AV SE	Curtis Block GP Ltd.	63361	Confirmed	\$1,020,000
068141506	231-12 AV SE	Curtis Block GP Ltd.	63368	Confirmed	\$579,500
068141605	1203- MACLEOD TR SE	Curtis Block GP Ltd.	63369	Confirmed	\$2,860,000

DATED AT THE CITY OF CALGARY THIS 2 DAY OF August 2011.



Lana J. Wood
Presiding Officer

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

EXHIBIT NO.	ITEM
1. C1	Complainant's Brief
2. R1	Respondent's Assessment Brief

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.*