

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:

Roadhouse Industries Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

F. Wesseling, PRESIDING OFFICER

S. Rourke, BOARD MEMBER

E. Reuther, 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 2013 Assessment Roll as follows:

ROLL NUMBER: 201525136

LOCATION ADDRESS: 3702 6 St NE

FILE NUMBER: 71525

ASSESSMENT: \$1,440,000

This complaint was heard on 24th day of June, 2013 at the office of the Assessment Review Board located at Floor Number 4., 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9..

Appeared on behalf of the Complainant:

- N/A

Appeared on behalf of the Respondent:

- *Michelle Hartmann, City of Calgary*

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

No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint

Property Description:

[1] Subject property is located in NE Calgary in the Greenvue Industrial Park. The property is owner occupied and contains 1.24 acres. The site is utilized as the base for a construction company and as such is used for storage of equipment, building supplies and contains a number of temporary buildings. The property is assessed based on land value only. The City of Calgary land use Bylaw classifies the property Industrial-General (I-G) district.

Issues:

The Complainant raised the following matter in Section 4, item 3 of the Assessment Complaint Form: Assessment amount

Presentation of the Complainant and Respondent were limited to:

- Assessment market value is overstated in relation to comparable properties.

Complainant's Requested Value: \$1,100,000

Board's Decision:

Upon reviewing information provided by the parties, the Board found that the Complainant failed to demonstrate that the assessment was in excess of market value.

The Board confirms the assessment at \$1,440,000.

Legislative Authority, Requirements and Considerations:

[2] The Composite Assessment Review Board receives its authority under the appropriate sections outlined in Part 11 of the Municipal Government Act (MGA). As the Complainant was not in attendance at the hearing, under Section 463 of the MGA, the Board proceeded with the

hearing. The Complainant had filed a written submission in accordance with Section 8 of the Matters Relating to Assessment Complaints Regulation (MRAC).

Position of the Parties

Complainant's Position:

[3] The Complainant's written submission outlined two items for the Board's consideration. Firstly, four industrial properties were highlighted as comparable properties. Secondly, an property appraisal for the property was presented. The appraisal was dated March 8, 2013 and was prepared by Price Aspinall Appraisals.

[4] Firstly, four properties were highlighted as comparables in the Greenview Industrial Park. The current use of the properties and the "Property Assessment Public Reports" were outlined. No analysis on how the assessments of these properties related to the subject property was provided.

[5] The property appraisal prepared by Price Aspinall provided solid background information on the subject property as well some of its current temporary uses including a cell tower and a billboard. The purpose of the appraisal was to determine the market value of the property with the stated objective of "financial planning purposes". In the Highest and Best Use analysis six (6) similar properties were identified and utilized in the sales comparison approach outlined. These properties were selected due to similar redevelopment potential, size, land use classification and location. With appropriate market adjustments, it was determined that the assessment should be between \$800,000 and \$850,000 per acre. A median of \$822,500 was derived to determine a preliminary value for the property of \$1,020,000. Allowing for the annual rental income from the cell tower and billboard the appraisal report determined a final market value for the subject property of \$1,100,000 which formed the basis of the complainant's requested value.

Respondent's Position:

[6] The City limited its presentation to addressing two questions:

- a. Does the current assessment accurately represent the market value of the subject property?
- b. Do the sales of comparable properties support the assessment before the Board?

[7] In responding to the first question, the City outlined the requirements of mass appraisal under the MGA and Matters Relating to Assessment and Taxation Regulation (MRAT). In addition the principles of mass appraisal forming the basis for assessment vs an individual appraisal were reviewed. The Greenview industrial area was highlighted by the respondent as having higher assessments due to higher market values based on recent sales. The Greenview industrial area is assessed at \$1,300,000 for the first acre and at \$600,000 per acre for the balance (pg 26 of R1). The proximity to Deerfoot Trail was quoted as a primary locational advantage of this industrial area.

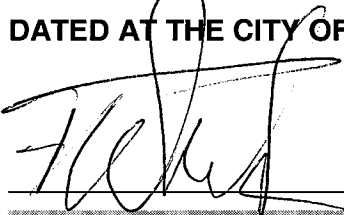
[8] The Respondent examined the 6 properties utilized in the Complainant's appraisal and determined that 3 of the sales were post facto and three of the sales were in SE Calgary. The remaining property was in the NE and was utilized in the City's model to arrive at the

assessment for properties in the Greenview Industrial Park. The Respondent provided 10 sales comparables to demonstrate (p 29 of R1) that the higher market assessment in the NE and in particular the Greenview Industrial Park, is warranted.

Board's Reasons for Decision:

- The Respondent was able to prove that industrial land in NE Calgary, and in particular in the Greenview Industrial Park as shown by the sales on page 29 of R1, attract higher land values.
- The limited information provided to the Board with regard to the value of comparable properties by the Complainant in comparison to the data provided by the Respondent led to a conclusion that a change in assessment was not warranted.

DATED AT THE CITY OF CALGARY THIS 24th DAY OF July 2013.



F. Wesseling

~~Presiding Officer~~

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1 Assessment brief	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 MGB Administrative Use Only

<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Industrial	Market value	Sales Comparables	Location and post facto sales.