

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***B. Horrocks, PRESIDING OFFICER***

***I. Fraser, MEMBER***

***Y. Nesry, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>010095206</b>
<b>LOCATION ADDRESS:</b>	<b>7020 4 ST NW</b>
<b>HEARING NUMBER:</b>	<b>59650</b>
<b>ASSESSMENT:</b>	<b>\$19,080,000</b>

This complaint was heard on the 17th day of August, 2010 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:

- Mr. D. Genereux (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- Mr. D. Zhao

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

None. The merit hearing proceeded.

**Property Description:**

The subject property, commonly referred to as County Fair Plaza is a 14.09 acre site located in the Huntington Hills community of NW Calgary. The site contains a 138,920 sq. ft. main retail store occupied by Superstore, a 6,508 sq. ft. free standing liquor store and a gas bar.

**Issues:**

The complainant identified 15 issues on the "Assessment Review Board Complaint" form, but at the outset of the hearing advised that there were 3 outstanding issues namely:

1. "The liquor store assessed area and rental rates are incorrect. The rental rate should be no greater than \$19.00 / sq. ft."
2. "The gas bar assessed rental area has been incorrectly applied and should be increased from 1 to a minimum of 1,000 sq. ft. with a total PGI of no higher than \$45,000."
3. "The assessed rental rate applied to the retail anchor at the subject property should be \$8.00 / sq. ft."

**Complainant's Requested Value:** \$15,180,000

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

Issue #1      "The liquor store assessed area and rental rates are incorrect. The rental rate should be no greater than \$19.00 / sq. ft".

The complainant at page 214 of his evidence package provided a list of 17 liquor store comparables with areas larger than 3000 sq. ft. and assessed rental rates ranging from \$16.00 / sq. ft. to \$26.00 / sq. ft. The average rental rate was \$18.67 / sq. ft. and the weighted average was \$18.85 / sq. ft. It was acknowledged that the assessed rental rate for 7020 4 ST NW ( the subject) was \$26.00 / sq. ft. vs. the \$20.00 / sq. ft. reported.

The respondent at page 15 of his evidence package provided a list of 4 comparable, stand alone,

buildings ranging from 6,172 sq. ft. to 8,465 sq. ft. , all located in the NW quadrant of the City, and all with net annual rental values (NARV) of \$26.00 / sq. ft.

The Board reviewed the list of purported comparables from the complainant and could find no meaningful evidence to demonstrate comparability between the subject and the listed properties aside from the fact they were all liquor stores.

The Board finds no convincing market evidence to support changing the assessed rate from \$26.00 /sq. ft.

**Issue #2**        "The Gas Bar assessed rental area has been incorrectly applied and should be increased from 1 to a minimum of 1,000 sf with a total PGI of no higher than \$45,000."

The complainant requested the area for the gas bar be changed from a "unit rate" of 1 to 1,000 sq. ft. which would have the effect of reducing the net operating income (NOI) by \$1,100, which, when capitalized @ 8% would reduce the assessment by \$13,750.

The respondent advised that unlike previous years, the current practise is to assign all gas bars a unit rate of 1 and a market rental rate of \$45,000 for the purpose of calculating Potential Net Income.

The Board finds the respondent's treatment of gas bars to be reasonable and as a result no change is warranted for the gas bar.

**Issue #3**        "The assessed rental rate applied to the Retail Anchor at the subject property should be \$8/sf."

At the outset, and with the concurrence of the respondent, the complainant requested the evidence and argument with respect to the assessed rate applied to the retail anchor be carried forward from Hearing # 59648.

Amongst other things, the complainant at Page 40 of his evidence package provided a "Retail Tenant Rental Analysis" which contained 10 leases with start dates from March 1996 to March 2008. Face lease rates ranged from a low of \$4.00 / sq. ft. to a high of \$14.50 / sq. ft. The average lease rate was calculated to be 8.95 / sq. ft.

The respondent, at page 14 of his evidence package provided 5 "Lease Comparables" (3 of which were included in the complainant's submission). The average lease rate was calculated to be \$12.77 / sq. Ft.

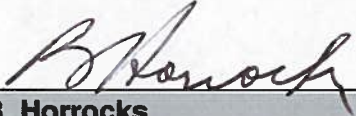
Taking all of the 12 leases presented by both parties into consideration, excluding the 3 duplications, the Board calculated the simple average lease rate to be \$9.53 / sq. ft.

The Board finds the average lease rate of \$9.53 / sq. ft., as calculated above, to be more supportive of the \$10.00 / sq. ft. assessed rate than the requested rate of \$8.00 / sq. ft.

**Board's Decision:**

The 2010 assessment is confirmed at \$19,080,000.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF August 2010.



**B. Horrocks**  
Presiding Officer

*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.*