

**CITY OF CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of a complaint filed with the City of Calgary Assessment Review Board pursuant to Part 11 of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000 (the Act).

**BETWEEN:**

**Altus Group Ltd., COMPLAINANT**

**and**

**The City Of Calgary, RESPONDENT**

**BEFORE:**

***J. Krysa, PRESIDING OFFICER***

***D. Julien, MEMBER***

***Y. Nesry, MEMBER***

A hearing was convened on July 28, 2010 in Boardroom 2, at the office of the Assessment Review Board, located at 1212 - 31 Avenue NE, Calgary, Alberta in respect of the property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>200125904</b>
<b>LOCATION ADDRESS:</b>	<b>11300 Tuscany Boulevard NW</b>
<b>HEARING NUMBER:</b>	<b>59462</b>
<b>ASSESSMENT:</b>	<b>\$21,310,000</b>

**PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

The subject property is a 365,877 square foot (sq.ft.) parcel of land improved with an 83,150 sq.ft. neighbourhood shopping centre constructed in 2002, and paved surface parking. The development is known as the Tuscany Market.

**PART B: PROCEDURAL or JURISDICTIONAL MATTERS**

There were no procedural or jurisdictional matters raised by the parties.

**PART C: MATTERS / ISSUES**

The Complainant raised the following matters in section 4 of the complaint form:

3. an assessment amount
4. an assessment class

At the commencement of the hearing, the Complainant withdrew matter 4, and indicated that the evidence and submissions would only apply to matter number 3, an assessment amount. The Complainant set out 19 reasons for complaint in Section 5 of the Complaint form, however at the hearing the Complainant stated only the following issues remained in dispute:

- Issue 1: The rental rate applied to the CRU space should be reduced from the applied rate for Restaurant space to the correct rate applied to CRU space.
- Issue 2: The rental rates applied to the various CRU space should be reduced to a level equitable with other neighbourhood and community shopping centres in the NW quadrant of the city.
- Issue 3: The Gas Bar rent should be reduced to reflect a rate of \$70,000 at the very most as there is not a carwash at this site.

The Complainant requested an assessment of \$18,150,000. (\$17,870,000 in C1).

**Issue 1:** The rental rate applied to the CRU space should be reduced from the applied rate for Restaurant space to the correct rate applied to CRU space.

The Complainant submitted photographs of the "Subway" tenant space in the subject property to illustrate that the space was interior CRU (commercial retail unit) space and not a free standing fast food structure.

The Respondent conceded that the market rent coefficient of \$30.00 per sq.ft. was in error and recommended a reduction to the current CRU rate of \$27.00 per sq.ft.

**Decision - Issue 1**

The Board finds that the area in dispute is improperly valued as freestanding fast food retail, and accepts the Respondent's recommendation to allocate the area as interior CRU space.

**Issue 2:** The rental rates applied to the various CRU space should be reduced to a level equitable with other neighbourhood and community shopping centres in the NW quadrant of the city.

The Complainant submitted seven property assessment calculations as equity comparables, indicating market rent coefficient ranges as follows:

<b>Commercial Retail Unit Size Ranges</b>	<b>Comparables Coefficients</b>	<b>Complainant's Requested Rate</b>	<b>Subject Coefficients</b>
CRU 0 – 1,000 sq.ft.	\$22.00 to \$26.00	\$26.00	\$29.00
CRU 1,001 – 2,500 sq.ft.	\$21.00 to \$24.00	\$24.00	\$27.00
CRU 2,501 – 6,000 sq.ft.	\$20.00 to \$24.00	\$23.00	\$26.00
CRU > 6,000 sq.ft.	\$21.00 to \$22.00	\$21.00	\$24.00

The Respondent presented five equity comparables for each of the CRU size ranges in dispute to illustrate that the subject's market rent coefficients were equitably applied to properties similar to the subject. [R1 pgs 63-66]

### **Decision – Issue 2**

The Board finds that the Complainant's equity comparables are dissimilar to the subject property due to their various ages and locations. Further, there was no evidence to support the Complainant's assertion that the comparables were located in superior locations, and would therefore attract higher rents.

Although the Board was concerned about the variance of market rent coefficients applied to the various properties included in the evidence of both parties, the Board found the Respondent's equity comparables more compelling, as the majority of the comparables were located in the same market area as the subject property.

### **Issue 3:**

The Complainant submitted several examples of gas bar lease rates, and several gas bar equity comparables in support of a reduction in the assessment of the gas bar and car wash.

The Respondent conceded that the gas bar and car wash assessment, based on a net income of \$105,000 was incorrect, and recommended a revision to \$70,000 as per the Complainant's request.

### **Decision – Issue 3**


The Board finds that the gas bar is improperly valued at \$105,000 net rent, and accepts the Respondent's recommendation to correct the assessment to a \$70,000 net income coefficient.

It is noted that the Respondent's calculation on page 113 of exhibit R1 addresses the Board's findings in issue 1 and issue 3 above.

**PART D: FINAL DECISION**

The assessment is revised from \$21,310,000 to \$20,850,000.

Dated at the City of Calgary in the Province of Alberta, this 3 day of September, 2010.

  
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J. Krysa  
Presiding Officer

**APPENDIX "A"****DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

<b>NO.</b>	<b>ITEM</b>
1.	Exhibit C1
2.	Exhibit R1
	Complainant's Brief
	Respondent's Brief

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
1.	K. Fong
2.	B. Thompson
	Representative of the Complainant
	Representative of the Respondent

*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.*