

**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:

Copez Properties Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

***J. Dawson, PRESIDING OFFICER
B. Kodak, MEMBER
E. Bruton, MEMBER***

This is a complaint to the Calgary Composite Assessment Review Board [CARB] in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

| | |
|---------------------------|--------------------------------------|
| ROLL NUMBER: | 067062091 |
| LOCATION ADDRESS: | 1000 7 Avenue SW |
| LEGAL DESCRIPTION: | Plan A1; Block 36; Lots 25-32 |
| HEARING NUMBER: | 68432 |
| ASSESSMENT: | \$ 37,590,000 |

- [1] This complaint was heard on the 25th day of July, 2012 at the office of the Assessment Review Board [ARB] located at Floor Number 4, 1212 31 Avenue NE, Calgary, Alberta, Boardroom 2.
- [2] Appeared on behalf of the Complainant:
 - S. Meiklejohn Director, Altus Group Limited
- [3] Appeared on behalf of the Respondent:
 - R. Fegan Assessor, City of Calgary
- [4] The following individual was present for all or part of the proceedings and did not appear on behalf of a party:
 - S. Dawson observer

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

- [5] No objections in respect of procedural or jurisdictional matters were raised.

Property Description:

- [6] Constructed in 1985, the subject – 1000 7 Avenue SW, is a high-rise downtown office building located along 7th Avenue near 10th Street SW in the DT2 sub market area.
- [7] The Respondent prepared the assessment showing 153,809 square feet of office space rated as a 'B' quality and 6,225 square feet of retail space. 282 enclosed parking stalls are also assessed on the 35,484 square foot site.

Issues:

- [8] The Complainant identified two matters on the complaint form:
 - #3. *an assessment amount*
 - #4. *an assessment class*
- [9] Following the hearing, the Board met and discerned that this is the only relevant question that need to be answered within this decision:
 - 1. *How many parking stalls are located within the property?*

Complainant's Requested Value:

- \$29,080,000 on complaint form
- \$21,430,000 in disclosure document
- \$35,250,000 at hearing confirmed as the request

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

Matter #3 - an assessment amount

Question 1 How many parking stalls are located within the property?

- [10] The Non-Residential Properties – Income Approach Valuation summary (R1 pp.7-8) indicates 282 parking stalls assessed at \$4,800 each.
- [11] The Complainant provided an email from the owner (C1 pp. 60-61) showing 244 parking stalls.
- [12] The Respondent agreed the 2011 Assessment Request for Information (ARFI) indicates 244 parking stalls.
- [13] **The Board finds the parking stall count of the subject building is 244 stalls.**
- [14] **The Board finds all other factors used to derive the assessment as correct and makes no further change to the assessment.**

Potential Net Income

| # | Sub Component | Area (Square Feet) | Quantity | Rental Rate | Total Market Rent |
|---|----------------|-----------------------|----------|-----------------------------|----------------------|
| 1 | Parking Stalls | | 244 | \$4,800.00 | \$1,171,200 |
| 2 | Retail Space | 6,225 | | \$16.00 | \$99,600 |
| 3 | Office Space | 153,809 | | \$14.00 | \$2,153,326 |
| | Total | 96,734 | | Potential Net Income | \$3,424,126 |

Values Influencing Income

| # | Sub Component | Vacancy Rate | Operating Costs | Non Recoverable | Capitalization Rate |
|---|----------------|--------------|--------------------|--------------------|------------------------|
| 1 | Parking Stalls | 2.0% | \$0.00 | 2.0% | 7.5% |
| 2 | Retail Space | 12.0% | \$20.00 | 2.0% | 7.5% |
| 3 | Office Space | 14.0% | \$17.00 | 2.0% | 7.5% |

Effective Net Income

| | | | |
|---|---------------------------------|-------|--------------------|
| # | Potential Net Income | | \$3,424,126 |
| 1 | Less Vacancy (Parking Stalls) | 2.0% | (\$23,424) |
| 2 | Less Vacancy (Retail Space) | 10.0% | (\$301,466) |
| 3 | Less Vacancy (Office Space) | 10.0% | (\$11,952) |
| | Total Effective Net Rent | | \$3,087,284 |

Net Operating Income

| | |
|-----------------------------|--------------------|
| Vacant Space Shortfall | (\$381,005) |
| Non Recoverable | (\$61,746) |
| Net Operating Income | \$2,644,533 |

Market Value

| | |
|---------------------------------|---------------------|
| Net Operating Income | \$2,644,533 |
| Capitalization Rate | 7.5% |
| Truncated Assessed Value | \$35,260,000 |

- [15] No additional evidence was presented by either party.

Matter #4 - an assessment amount

[16] The Board did not hear any evidence requesting a change in an assessment class from its current non-residential designation.

Board's Decision:

[17] After considering all the evidence and argument before the Board it is determined that the subject assessment is changed to a value of \$35,260,000; which reflects the change in parking stalls as agreed to by all parties.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF August 2012.



J. Dawson
Presiding Officer

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

| NO. | ITEM |
|------------|------------------------------------|
| 1. | C1 Complainant Disclosure |
| 2. | C2 Complainant Disclosure Appendix |
| 3. | R1 Respondent Disclosure |
| 4. | C3 Rebuttal 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.*

| Municipal Government Board use only: Decision Identifier Codes | | | | |
|---|---------------|-------------------|-----------------|---------------|
| Appeal Type | Property Type | Property Sub-Type | Issue | Sub-Issue |
| CARB | Office | Low Rise | Income Approach | Leasable Area |