

**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

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

and

The City of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
H. Ang, MEMBER
D. Julien, 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 2012 Assessment Roll as follows:

ROLL NUMBER: 201123809

LOCATION ADDRESS: 120 10 Av SW

FILE NUMBER: 66427

ASSESSMENT: \$25,050,000

This complaint was heard on July 16, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 - 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Genereux, Altus Group Limited*

Appeared on behalf of the Respondent:

- *E. Currie, City of Calgary Assessment*

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

[1] The Complainant asked that pages 9 to 48 and pages 66 and 67 be removed from the Respondent's Testimonial of Evidence because the Respondent had included information that had been requested by the Complainant under Sections 299 and 300 of the Act, and had not been revealed to the Complainant within the legislated time period. The Respondent argued that the information on those pages was available to the Complainant through the City of Calgary website and through the Complainant's records.

[2] The Board reviewed the Assessment Information Request Forms supplied to them by the Complainant. The request under Section 299, MGA asks for information about how the assessor assessed the assessed person's individual property. The request under Section 300, MGA asks for information about other assessed properties. The Complainant entered "Please see attached" in the box where the specific request could be made. The attached document with the specific request was not disclosed to the Board.

[3] The Board reviewed the documents the Complainant had asked to be removed. They included the following:

- 1) Pages 9-14 – ARFI stall count information for the subject property
- 2) Pages 16-17 – Locational Maps
- 3) Pages 18-48 – ARFI tenant rent information for the subject property
- 4) Pages 66-67 – Parkade Equity and Parkade Sales comparables

[4] The ARFI documents were pertinent to the Section 299 request, and were submitted to the City by the Complainant. The Locational Maps and the Sales and Equity Comparables were pertinent to a Section 300 request, but the Board did not have evidence of the specific request.

[5] The Board decided there was no information in the pages the Complainant asked to be removed that was not readily available to the Complainant either through the City website or through documents submitted to the city by the Complainant. Further, there was no evidence available to show what specific information had been asked for under Section 300. Therefore, no evidence was removed from the Respondent's Testimony of Evidence.

Property Description:

[6] The subject property is assessed as a 40,064 square foot (sf) Class "B-" parcel of land located in the Beltline community of Calgary, on 120 – 10 Av SW, next to and over the railway

tracks. It is a Parkade which has been assessed with 626 parking stalls.

Issues:

[7] Is the assessment equitable? Are the parameters applied to the assessment calculation typical for Class "B" properties? Secondly, is the number of parking stalls (626 assessed) correct?

Complainant's Requested Value: \$10,620,000

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

Evidence and Arguments

[8] The Complainant, D. Genereux, Altus Group Limited, explained that the subject parkade has two entrances on the subject parcel, which lead to circular towers leading to the six Parkade levels. The Parkade itself is located above the railway tracks which run through Calgary, and is a two-title property. The assessment under appeal includes the entrances on the parcel of land and a portion of the total number of parking stalls in the Parkade. In previous years, 613 stalls had been assessed, but this year 626 stalls were assessed.

[9] Mr. Genereux argued that the property was assessed inequitably when compared with other "B" class properties. He presented an equity comparison of five properties which had parking in addition to offices. The capitalization rate on these properties was 7.75% (subject 7.0%) with a \$200/month rent rate (subject \$375). He asked the Board to change the subject property assessment to reflect the rates of the comparable properties in the interest of equity.

[10] Further, Mr. Genereux argued that the subject property assessment should be reduced by 15% (applied by a 15% increase to the capitalization rate) to reflect the risk of being adjacent and over the railroad tracks. He stated that the noise and fumes from the trains and the tight access through the circular towers made the parking less desirable than other parking which is not hampered by this location.

[11] The Respondent, E. Currie, City of Calgary Assessor, included the ARFI for the subject property in her evidence. The first attachment of the ARFI included the number of regular stalls (1030) and reserved stalls (258). The sum of the two stalls, as supplied by the owner, was 1388. There was also a total for the portion of the parking, also owned by the Complainant, that was not under appeal (762 stalls). The remaining ($1388 - 762 = 626$) stalls were credited to the subject property.

[12] Ms. Currie went on to refute the Complainant's equity support, saying that downtown "B" offices with parking were assessed using 7.75% capitalization rates and \$200/stall rent rates, but she provided an equity list showing any Parkades north of the tracks were assessed using 7% capitalization rates and stall rent rates according to their class ("B-" class \$375/stall). Further, the Respondent included a list of sales that demonstrated the rates used to calculate the assessment resulted in assessed values that are conservative.

[13] The Respondent also indicated that 15% risk consideration is applied to land along the railroad tracks, but not to properties assessed on the income approach.

Board Findings

[14] The Board discussed the method by which the number of assessed stalls had been calculated. Three things were clear:

- 1) The calculation on the ARFI is wrong: $1030 + 258 = 1288$, not 1388 as shown.
- 2) The City Assessment Offices used the 1388 stall total to calculate the assessed number of stalls, using the ARFI total from the attached Parkade (not the subject). The result was $1388 - 762 = 626$ stalls. The remaining 626 stalls were considered to be part of the subject assessment.
- 3) Previous assessments had used 613 stalls as the assessed number.

[15] Given that the Respondent had no documentation to confirm that 1388 was the correct number and not a calculation error, and given that the previous year's assessment used 613 stalls, the Board decided to use the previous year's assessed number (613 stalls) in its calculations of corrected assessment.

[16] The Board found that the subject property had been assessed equitably when compared to other downtown "B-" class Parkades. The Board did not find that it would be equitable to compare this Parkade to downtown office parking.

[17] The Board found no evidence to support a 15% adjustment for improvement assessments based on the Income Approach, regardless of the fact that the property borders the railroad track.

Board's Decision:

[18] Using 613 stalls as assessed in the previous year, and applying typical rates for this property, the Board calculated the new assessment to be \$24,500,000.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF August 2012.


L. Yakimchuk
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R2	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:

Decision No. 0808-2012-P

Roll No. 092028703

Subject	Type	Issue	Detail	Issue
CARB	Parkade	Income Approach	Error in Count	Class
		Preliminary	Section 299/300	