

**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:

Inn At The Park Inc. (as represented by Colliers International), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

J. Joseph, MEMBER

K. Farn, 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 2011 Assessment Roll as follows:

ROLL NUMBER:	040002503
LOCATION ADDRESS:	8220 BOWRIDGE CR NW
HEARING NUMBER:	64530
ASSESSMENT:	\$12,180,000

The Complainant, at page 21, provided a Valuation Proforma which was based on Revenues

and Expenses for the calendar years 2008 and 2009, and projected Revenues and Expenses for 2010. The 2010 projections were based on the actual revenues and expenses for the first six months. He used a weighting of 0%, 0% and 100% for 2008, 2009, and 2010 respectively to arrive at his normalized Revenues and Expenses for calculating his Net Income. After deducting Income to reserves (8%), Net income to FF&E (15.0%) and Income to intangibles (1.5%), he arrived at an income to real estate of \$628,423 which when capitalized at 11.5% yields an Indicated value of \$5,464,549 (the requested assessment in the Complaint Form).

The Complainant said that if the management fee of \$400,000 was added for 2009 on line 2.22, and the weighting for normalizing changed to 20%, 80% and 0% for 2008, 2009 and 2010 respectively, and all other parameters remained the same, the indicated value would be \$8,540,000. He requested the Board give consideration to that approach.

The Respondent's Disclosure is labelled R-1.

The Respondent, at page 18, provided the Valuation Proforma Analysis. He explained that Revenues and Expenses had been included for the full calendar years 2007, 2008, and 2009 respectively, as recommended in the Province of Alberta – Municipal Affairs Hotel/Motel Valuation Guide. He took issue with the Complainant's approach wherein he had utilized projected 2010 Revenues and Expenses.

During his presentation, the Respondent, discovered there was an error in Column L (Normalized Data). He suggested utilizing the data in Column H (Stabilized Data), as an alternate method for revising the calculations. The Complainant concurred. As a result, the Net Income was identified as \$1,903,045 rather than \$2,241,381.

After deducting Income to mang/resv of \$469,821, Net income to FF&E of \$285,457 and Income to intangibles of \$28,546, the resultant Income to real estate was determined to be \$1,119,221, which when capitalized at 11.5% yields an indicated value of \$9,732,356.


Board's Decision:

The 2011 assessment is reduced to \$9,730,000 as calculated and agreed by the parties.

Reasons

The Assessment was recalculated by the parties after discovery of an error in transposing some numbers in the original Valuation Proforma Analysis.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF AUGUST 2011.


B. Horrocks
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	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.*