



## 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:

**SHAGANAPPI VILLAGE SHOPPING CENTRE INC.,  
(as represented by Avison Young Property Tax Services),  
COMPLAINANT**

and

**The City Of Calgary,  
RESPONDENT**

before:

**R. Glenn, PRESIDING OFFICER  
D. Steele, BOARD MEMBER  
T. Usselman, BOARD 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 2014 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>038069001</b>
<b>LOCATION ADDRESS:</b>	<b>4625 Varsity Drive NW</b>
<b>FILE NUMBER:</b>	<b>75829</b>
<b>ASSESSMENT:</b>	<b>\$21,210,000</b>

This complaint was heard on Tuesday, the 8<sup>th</sup> day of July, 2014 at the offices of the Assessment Review Board located at Floor Number 4, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 5.

Appeared on behalf of the Complainant:

- J. Mayer, Agent, Avison Young Property Tax Services

Appeared on behalf of the Respondent:

- R. Sidikou, Assessor, The City of Calgary
- S. Turner, Assessor, The City of Calgary

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

[1] There were no questions or issues of either Jurisdiction or Procedure raised prior to, or during the hearing. Also, there were no objections to the composition of the Board as it was then constituted.

**Property Description:**

[2] The subject property is a 4.46 acre parcel of land with a four building improvement used as a retail strip mall with multiple tenants, Year of Construction (YOC): one building: 1966, three buildings: 1991, all of 'B+' quality and all comprising a total of 71,864sf (square feet) of assessable area, located in the sub-market "NONRES WN 4, with a Commercial-Corridor 2 Land Use Designation, located in the community of Varsity.

**Issue(s):**

[3] Whether or not:

- (a) the subject property has been properly classified as to use;
- (b) the subject property has been properly classified as to quality rating;
- (c) the subject property has been properly assessed.

**Complainant's Requested Value: \$20,625,000**

**Board's Decision:**

[4] The Board confirmed that the subject had been properly classified both as to use and as to quality rating and confirmed the subject assessment

**Complainant's Position:**

[5] In argument, the Complainant noted that the subject's 'Sub-property Use' is CM0210 Retail-Shopping Centre-Strip, which infers that the subject does not have an anchor tenant. In answer, they argue that the Planet Organic Grocery Store is an anchor tenant. They say that the Planet Organic Store has the largest space of any tenant in the centre at 8,993sf which represents 13% of the total building area of the subject.

[6] They go on to say that Planet Organic is a provincially recognized brand and is a primary draw to the subject shopping centre.

[7] The Complainant quotes the definition of a Neighbourhood Centre from the City of Calgary Assessment Department Website, noting that a neighbourhood centre is often anchored by a supermarket, and/or drugstore, and these anchor stores are often supported by stores offering drugs, sundries, snacks and personal services.

[8] They provide an additional definition of Neighbourhood Centre from the International Council of Shopping Centres (ICSC). This definition adds that a Neighbourhood Centre is usually in the range of 40,000 to 99,000sf and is typically anchored by a supermarket, a large drugstore, or, a large discount store.

[9] They provide some discussion of a specialty store versus a grocery store, suggesting that the Planet Organic store offers a full variety of items in spite of the 'health food' suggestion in the name. The main thrust of their argument is that Planet Organic is large enough and important enough to be an anchor tenant in every sense. They provide a number of comparables with commentary.

[10] On cross examination however, they admit that the subject centre is inferior to some of their own comparables.

[11] The Complainant also argues that while the subject currently has a quality rating of 'B+', the rating should actually be changed to a 'B', if the Board agrees to change the Sub-property use of the subject to Shopping Centre-Neighbourhood. They present two comparables to substantiate their position, only one of which has a 'B' quality classification. The Complainant goes on to argue that the subject centre and all of the comparables sell the same type of goods.

[12] In summary, the Complainant argued that if there is a requirement that the minimum square footage for an anchor tenant must be 14,000sf, as suggested by the Respondent, that requirement is not mentioned in any of the Respondent's materials, definitions, or website.

**Respondent's Position:**

[13] The Respondent argued that the issue was not the size of the business per se; nor was it the type of goods sold. They argue that the minimum size for the starting point of an anchor tenant is 14,000sf. The Respondent went on to argue that there used to be a Safeway store located in the subject centre, but that space was now demised into three separate retail spaces, with three separate tenants, none of which was singularly large enough to be an anchor tenant.

[14] On cross examination, the Respondent admitted that Planet Organic does sell a full range of goods, similar to a supermarket, and suggesting that it is not a conventional grocery store. They go on to suggest that two important parameters for an anchor tenant include both the amount of rent per square foot, and the size of the subject premises (with a 14,000sf minimum).

[15] The Respondent noted that the subject Planet Organic is only paying \$22.00/sf for rent. They also note that Planet Organic is not part of a national chain. Thus, they say that Planet Organic cannot possibly be an anchor tenant, and there is no other tenant in the centre that comes close to meeting the requirements to qualify as an anchor tenant.

**Board's Reasons for Decision:**

[16] The Board carefully considered the full argument and evidence of both parties. After such consideration, the Board found that the evidence presented by the Complainant was not enough to convince the Board of a need to re-classify the subject as a Neighbourhood Centre, nor was there enough evidence from the Complainant to convince the Board that the quality rating needed to be changed.

[17] Accordingly, the Board found that there was no need to change the subject assessment. The subject assessment is herewith confirmed at \$21,210,000.

DATED AT THE CITY OF CALGARY THIS 22<sup>nd</sup> DAY OF August, 2014

  

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R. Glenn  
Presiding Officer

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

NO.	ITEM
1. C1A	Complainant Disclosure
2. C1B	Additional Complainant Disclosure
3. 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.*

**For Administrative Use Only**

Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Retail Strip Mall	Multi Tenant	Use Classification	Quality Rating