

**CITY OF AIRDRIE**  
**ASSESSMENT REVIEW BOARD DECISION**

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In the matter of a complaint against the property assessment as provided by the *Municipal Government Act*, RSA 2000, Chapter M-26.

Between: Loblaw Properties West Inc Complainant

And: City of Airdrie Respondent

Before: R Irwin Presiding Officer  
D. Oneil Member  
C. Sanders Member

Secretariat: M. Soukoreff Clerk

This is a complaint to the City of Airdrie Assessment Review Board with respect to the property assessment prepared by the Assessor of the City of Airdrie and entered into the 2013 Property Assessment Roll as follows:

Roll Number: 842850

Location Address: 300 Veterans Blvd NE

Registered Owner: Loblaw Properties West Inc. .

Assessment: \$21,157,900

Proposed Revised Assessment \$21,049,709

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Preliminary Requested Assessment 17,703,600

Requested Assessed Value \$16,264,854.72

Alternate Assessment Request \$17,782,701.19

The complaint was heard on the 23 day of July, 2013, in Council Chambers located at 400 Main Street SE, Airdrie, Alberta.

Appeared on behalf of the Complainant:

D Main Agent ALTUS Group

Appeared on behalf of the Respondent:

G Butz Assessor City of Airdrie

V Cottreau Assessor City of Airdrie

**Issues:**

#1 Area of main floor of the Superstore building

#2 Rental rate

**Property Description:**

The property under appeal is the Superstore located at 300 Veteran's Blvd Airdrie. The legal description is Plan 0612003 Block 1 Lot 3. The 16.77 acre site has a land use designation of Direct Control that allows for commercial.

The improvements consist of 3 distinct buildings. The Superstore grocery store, the Superstore liquor store and the Superstore gas bar.

**Summary of Complainant's Evidence:**

The Complainant indicated that despite any other information contained in their package they were only appealing the area of the main floor of Superstore Building itself and the rental rates used to calculate the assessment. They further specified that reference to Sections 299 and/or 300 concerns should be ignored as they were a standard item included in their appeals and did not apply to this appeal.

### **Issue 1**

The Complainant presented a document titled Fixture Floor Plan Superstore Airdrie, and stated that the owner believed that the area of the building was 139,960 sf., not the 154,230 sf. that the Assessor had used.

### **Issue 2**

The complainant presented a report titled Retail Anchor Rental Analysis containing data for 7 comparables that were located in various communities located in all quadrants of the City of Calgary. That data is best summarized on page 37 or 80 of their disclosure package. Their analysis shows rent rates with a mean of \$8.35/sf. and a median of \$7.47/sf. and they argued that this was supportive of the \$8.00/sf. requested in this appeal.

### **Summary of Respondent's Evidence:**

#### **Issue 1**

The respondent submitted documents titled "Drawings from original plan" which included detailed building measurements indicating 154,230 sf. as the building size for the property under appeal. The respondent indicated that the drawings had been done by the staff from the Assessor's office using the original plans approved at the time of development permit approval. The City's procedures are to have the Assessor's office do the drawings based on the approved plans and then return the originals to the City Planning Department. The Board was further told by the respondent that this is the first year the size of the subject has been appealed.

#### **Issue 2**

The Respondent presented a chart titled Lease Rates of 4 comparables located in the City of Airdrie. The respondent recognized the limitations of the table as only one of the properties met their definition for a big box, but as there were only four properties in Airdrie that met the area standard and three of them were owner occupied rental data was not available for them.

As a result they had used the data shown in the chart as being the most comparable properties in the City, even though they did not meet the big box definition.

They further acknowledged that the property at 202 Veterans Blvd. may not be the best comparable as the rental data is as a result of a sale and lease back arrangement.

The respondent calculated the Airdrie average as \$11.84 and stated that the 2012 rate of \$9.80 is therefore fair and is applied consistently to all properties of the big box strata in the City of Airdrie, which they consider to be over 80,000 sf.

They also presented a chart titled Equity Comparables showing all four buildings in the City of Airdrie that meet or exceed their big box area. The chart shows that the average assessment is \$121/sf and that the Superstore is shown at \$116/sf.

The respondent presented a chart titled Sales Comparables showing assessments per square foot of 16 larger stores in a number of Alberta communities outside Calgary and Edmonton. The average assessment was \$168/sf., the range was from \$279/sf. to \$116/sf. for Airdrie Superstore which was the lowest assessment shown.

The Respondent questioned the assessed values put forward by the Appellant for their comparables in Calgary as they stated that their research indicated all Walmart properties in Calgary had \$10.00/sf rentals used in determining their assessments.

They also indicated, that they considered eliminating the vacant comparable in Calgary was without basis. Empty or not the owner was still receiving the full rental rate. In addition it was disclosed that the advertised rate being requested for the property was in excess of the \$14.50/sf in the current lease.

The Respondent indicated that they had the original data to support their charts available and would share it *in camera* if desired. The Board declined to allow it into evidence as it had not been disclosed previously in accordance with the Municipal Government Act disclosure guidelines contemplated in MRAT 8.

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**Board Decision:****Issue 1**

The complaint is denied and the board accepts 154,230 square feet as the building size for the appeal and the assessment.

**Issue 2**

The complaint is denied and the revised assessment is confirmed at \$21,049,709.

**Reasons:**

The CARB took direction from:

- MGA 467(1)

An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

And;

- MGA 467 (3)

An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) The valuation and other standards set out in the regulations,
- (b) The procedures set out in the regulations, and
- (c) The assessments of similar property or businesses in the same municipality.

**Issue 1**

The evidence presented by the Complainant did not persuade the Board to consider that the historical measurements used by the city to prepare the assessment were incorrect. On the drawings provided by the Complainant the title, area and date of 01/09/12 were visible but there were no building dimensions visible. The Board also recognized that the Complainant did not dispute the statement made by the Respondent, that the dimensions could be seen on sufficient electronic magnification and that the dimensions shown

confirmed those used in preparing the assessment of the subject property by the Respondent.

The Board found the drawings the Respondent supplied to be superior in legibility, clarity and data and accepted their calculation of the building area.

## Issue 2

The Board carefully considered the comparables and the Altus Group 2013 Retail Rental Rate Analysis chart (page 4 of 172) supplied by the Complainant. It was noted that it included data from several earlier taxation years. The Complainants calculations were based on these. When compared with the supportive information, the Altus Group 2013 Municipal Shopping Centre assessment Summaries for each comparable, the values are different.

The Board noted that on page 4 of 172, ( 2013 Retail Anchor Rental Rate Analysis Chart)the Complainants comparable, the Walmart on Canyon Meadows Dr. is shown as having a net rental of \$4.60/sf while on pages 13 of 72 (AltusGroup 2013 Municipal Shopping Centre Assessment Summaries) of their package it shows it has a net rental of \$10.00/sf.

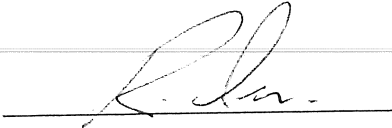
Similarly the Target at Signal Hills Cr is shown on the Anchor Rental Chart as having net rental of \$8.00/sf and yet on the page 24 of 172, it shows a net rental of \$10.00/sf.

The inconsistencies and the differences in rental rates shown on the various documents were not sufficiently reconciled to demonstrate that they supported the requested rate or that they proved that the assessment calculations were in error.

The Board also agreed that the assessor's chart of Alberta communities supported the assessment and displayed that the City of Airdrie had been fair in the assessment of the property under appeal and all big box stores in Airdrie.

Dated at the City of Airdrie, in the Province of Alberta, this 15 day of Aug, 2013.

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Presiding Officer

**An appeal to this decision lies to the Court of Queen's Bench on a question of law or jurisdiction provided an application for leave to appeal is made within thirty (30) days.**

