

**CITY OF CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of a complaint filed with the City of Calgary Assessment Review Board pursuant to Part 11 of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000 (the Act).

Between:

EXTERRAN CANADIAN PARTNERSHIP HOLDINGS GP ULC, Complainant

and

THE CITY OF CALGARY, Respondent

Before:

**J. KRYSA, Presiding Officer
I. ZACHAROPOULOS, Member
M. PETERS, Member**

A hearing was convened on August 18, 2010 in Boardroom 4 at the office of the Assessment Review Board, located at 1212 - 31 Avenue NE, Calgary, Alberta in respect of the property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	116017690
LOCATION ADDRESS:	4949 76th Avenue SE
HEARING NUMBER:	56973
ASSESSMENT:	\$14,260,000

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is a 9.22 acre parcel of industrial land, improved with three, single tenant warehouses, with a 22.9% building to land ratio. The improvement details are as follows:

Bldg No.	Year Built	Footprint Sq.Ft.	Rentable Area Sq.Ft.	Finish %
1	1981	59,140	71,164	39%
2	1981	14,375	14,375	13%
3	1981	18,480	18,480	0%

PART B: PROCEDURAL or JURISDICTIONAL MATTERS

There were no preliminary or jurisdictional matters raised by the parties.

PART C: MATTERS / ISSUES

The Complainant raised the following matter in section 4 of the complaint form:

3. an assessment amount

Pursuant to Section 5 of the Complaint form, the Complainant stated that the subject property had been listed for sale in April 2009 at a price of \$12,000,000, and negotiations commenced in December 2009, with a letter of intent to purchase the property for \$10,000,000 signed by both parties in January 2010. The Complainant requested an assessment of \$10,000,000.

At the hearing, the Complainant's representative did not submit any documentary or testimonial evidence with respect to the stated grounds for the complaint set out in section 5, but rather, submitted sales evidence in support of a requested assessment of \$12,438,000.

The Complainant's representative submitted three sales of industrial properties in the municipality exhibiting a range of sale prices from \$113 to \$127 per sq.ft. Through a series of adjustments for time, building size, site coverage and year of construction, the Complainant's representative determined a range of adjusted sale prices from \$113 to \$124 per sq.ft., with an average rate of \$117 per sq.ft. This rate of \$117 per sq.ft. was applied to the subject's total building area of 106,309 sq.ft. to establish the requested assessment value of \$12,438,000 (rounded) [C1 pgs 9-21].

During cross examination the Complainant's representative conceded that he did not inspect the subject property, nor the sale comparables prior to the hearing; and that three individual buildings on the subject site may have a different value than the single-building sales comparables that were submitted in the analysis. The Complainant's representative also conceded that the 86th Avenue sale was vendor financed and may not represent a typical market transaction; and that the 54th Street sale was a multi-tenant property which may contribute to a difference in value in relation to the subject property.

The Respondent advised that assessment values for multi-building industrial properties were predicted by a direct comparison approach model, which valued each building independently, based on sales of single building properties. The total assessment was then established from the sum of the individual predicted values for each building.

In support of the individual building assessed values, the Respondent submitted a list of seven industrial warehouse sales comparables for building #1, exhibiting a range of values from \$120 to \$180 per sq.ft. in contrast to the assessment of \$125 per sq.ft. A further 7 sales comparables were submitted for buildings #2 and #3, indicating a range of values from \$155 to \$246 per sq.ft. in contrast to the assessments of \$175 per sq.ft. (building #2) and \$152 per sq.ft. (building #3) [R1 pg 19].

The Respondent also provided several comparable assessments for each of the building size ranges to demonstrate that the assessments were fair and equitable in relation to the assessments of other similar properties [R1 pgs 20-21].

Decision

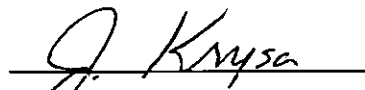
The Board finds there was insufficient market evidence from the Complainant's representative to put the assessment into question.

The Board did not find the direct comparison analysis persuasive, as there was no market evidence presented in support of the adjustments applied.

FINAL DECISION

The property assessment is confirmed at \$14,260,000.

Dated at the City of Calgary in the Province of Alberta, this 30 day of September, 2010

A handwritten signature in black ink, appearing to read "J. Krysa", is written over a horizontal line.

J. Krysa
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED BY THE ASSESSMENT REVIEW BOARD:

NO.	ITEM
1.	Exhibit C1 Complainant's Brief
2.	Exhibit R1 Respondent's Brief

APPENDIX 'B'

ORAL REPRESENTATIONS

PERSON APPEARING	CAPACITY
1.	T. Howell Representative of the Complainant
2.	I. Baigent Representative of the Respondent

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.*