

**Revised:**

**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(4).

**between:**

***Eldon Morrison, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***D Trueman, PRESIDING OFFICER***

***J Rankin, Board Member***

***I Fraser, Board Member***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 067139501**

**LOCATION ADDRESS: 1301 – 8<sup>th</sup> Street SW**

**HEARING NUMBER:57171**

**ASSESSMENT: \$3,640,000**

This complaint was heard on 17th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *E Morrison*

Appeared on behalf of the Respondent:

- *D Lidgrin*

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

The hearing began with the Respondent complaining that he did not receive the Complainant's disclosure material until August 19, which was some two weeks later than the required 42 days. The Complainant agreed that his material had not been sent on time as a result of his e-mail handling software not performing correctly. The panel noted that the complaint form contained commentary which in their opinion presented the issue of why the Complainant thought the assessment was incorrect. Under these circumstances the panel decided that the evidence of the Complainant would not be allowed at the hearing however, the hearing would proceed allowing the Respondent to present his case and the Complainant to question him. The Complainant was advised that he would be allowed to question the Respondent in such a way that the assessment could be fully understood by the panel however, his questioning must be to the point and absent of commentary which could be construed as introducing new material. Given this understanding the hearing proceeded

**Property Description:**

The subject property is described as an office building known as the Van Helden Building which contains a total rentable area of 23,229 ft.<sup>2</sup>, occupying a land base of 16,941 ft.<sup>2</sup>. A portion of the rentable area containing 4,908 ft.<sup>2</sup> is below grade. There are 35 parking stalls identified.

**Issues:**

The complaint form identifies the issue as "The assessment is based on incorrect lease rates and does not factor in required building repairs and average building vacancy rates".

**Complainant's Requested Value:**

The complaint form did not identify a request to value.

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

The board heard the Respondent's testimony that the assessment was prepared from a potential net operating income of \$424,221. This was based upon a typical parking stall value of \$2,100 and office space rental rate of \$17 per square foot and a below grade office rental rate of \$8 per square foot. It was also noted that an 8.5% vacancy rate along with other expenses

yielded a net operating income of \$364,298. After applying a 7.5% capitalization rate a total property assessment value of \$4,857,307 was determined. From this the City Assessor subtracted \$1,210,000 as a portion attributable to an exempt tenant. The panel were unable to determine that the mandated typical rental rates, which had been selected by the Assessor, were atypical for the subject property, based upon the Complainant's questioning. Given the absence of rental rates, from comparable property, that would better typify the subject property the panel had no alternative but to accept the "typical" rental rates as supplied by the City. Furthermore, the board could find no fault with either the vacancy rate or capitalization rate used by the City in the preparation of the assessment. The panel acknowledges vague questioning with respect to the exempt portion of the assessment however, neither was there anything here to call the total assessment into question.

**Board's Decision:**

The appeal is denied and the assessment is confirmed at \$3,640,000

DATED AT THE CITY OF CALGARY THIS 6<sup>th</sup> DAY OF October 2010.



 Presiding Officer

*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.*