

**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:**

***Altus Group Ltd., COMPLAINANT***

**and**

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

**before:**

**T. Hudson, PRESIDING OFFICER**

**H. Ang, Member**

**R. Deschaine, 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 2010 Assessment Roll as follows:

**ROLL NUMBER: 129052197**

**LOCATION ADDRESS: 10119 Elbow Drive SW**

**HEARING NUMBER: 59225**

**ASSESSMENT: \$27,680.000**

This complaint was heard on the 14th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Number 1.

Appeared on behalf of the Complainant:

- *Mr. A. Izard and Mr K. Fong* (Altus Group Ltd., Agent)

Appeared on behalf of the Respondent:

- *Mr R. Ford* (City of Calgary, Assessor)

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

In the absence of Procedural or Jurisdictional matters the merit hearing proceeded.

**Property Description**

The subject property is known as Southwood Corner, and is located at the intersection of Southland Drive and Elbow Drive SW, being 101119 Elbow Drive SW. The property is classified as a Community/Neighbourhood shopping centre, located on a 17.22 acre site, and includes 111,281 sq. ft. of mixed use commercial space. The current assessment is \$27,680,000

**Issues/Grounds for Complaint**

The Complaint Form indicates that both the Assessment Amount and the Assessment Class of the subject property are in dispute. In addition, a list of some eighteen (18) matters under the title of "Grounds for Appeal" were submitted by the Complainant, on Page 8 of Exhibit C-1 in connection with this complaint.

The Complainant also introduced an additional matter, indicating, quote, " the municipality has failed to account for the tax exempt status of Alberta Child and Family Services which occupies 11,813 sq. ft. at this Strip Centre", end quote.

**Complainant's Requested Value:** \$ 20,460,000

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

Following presentations by the parties, the Board finds that the Issues requiring decisions are reduced to the Assessment Class, the tax exempt status of the Alberta Child and Family Services occupancy, and the Assessment Amount. All other matters listed as "Grounds for Appeal" by the Complainant have been resolved.

**Assessment Class:**

The Complainant suggests that the subject property should be classed as Strip Commercial Centre. This change in classification would result in a change in the typical values of some of the factors used in the income approach value calculation for the subject property. In summary, the vacancy rate value would be increased from 2% to 9%; and the cap rate from 8% to 8.25%. All of the remaining typical values are consistent with the current assessed values for the subject property. The main justification advanced by the Complainant for the class change is the absence of an anchor tenant such as a grocery store occupying at least 40,000sf, on the subject property which typically distinguishes a Neighbourhood/Community Centre, from a Strip Centre. The Respondent countered that the absence of an anchor tenant is not the only factor to be considered. The size of the subject property is in excess of 100,000sf which is more than double the size of the Strip Centres submitted as comparables to the subject property by the Complainant.

**Board Finding on Assessment Class:**

The Board finds that the evidence does not justify a change in classification. The size of the subject property makes it more comparable to a Neighbourhood/Community Centre than a Strip Centre.

**Assessment Amount:**

The parties reached consensus on the need to correct the rental rate for 55,208 sq. ft. of CRU space on the subject property from \$18/per sq. ft. to \$15/per sq. ft. This correction reduces the current assessment to \$25,670,000.

**Board Finding on the Tax Exempt Status of the Alberta Child and Family Services Occupancy:**

The Board finds that non-profit organizations such as the Alberta Child and Family Services Authority can apply to the municipality for tax exempt status under Section 362(1)(n) of the Municipal Government Act(MGA) and subject to Alberta Regulation 281/1998, the Community Organization Property Tax Exemption Regulation. However, the evidence before the Board indicates that for reasons unknown, the Authority has chosen not to apply.

The Board therefore finds that the request to change the tax exempt status of the Authority in the present circumstances is premature at best, and is therefore denied.

**Board Decision:**

The assessment amount of the subject property is reduced to \$25,670,000, based on the corrected rental rate for CRU space noted above.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF October 2010.



**T. Hudson**  
**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.*