

**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:

McDonalds Restaurants of Canada Ltd, COMPLAINANT (as represented by Colliers International Realty Advisors)

and

The City Of Calgary, RESPONDENT

before:

***F.W. Wesseling, PRESIDING OFFICER
H. Ang, MEMBER
S. Rourke 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 2011 Assessment Roll as follows:

ROLL NUMBER: 543125504

LOCATION ADDRESS: 1920 68 Street NE

HEARING NUMBER: 64623

ASSESSMENT: \$1,600,000.00

This complaint was heard on 22 day of June, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *M. Uhryn*

Appeared on behalf of the Respondent:

- *S. Turner*

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

No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint.

Property Description:

Subject property is a standalone fast food restaurant located in a neighbourhood mall. The site contains .81 acres and the building has 3690 square feet. The property is classified "Commercial-Corridor 2" in the City of Calgary Land Use Bylaw.

Issues:

The Complainant raised the following matter in Section 4 of the Assessment Complaint form:

- Assessment amount

Presentation of the Complainant and Respondent were limited to:

- Assessment overstated in relation to comparable properties.
- Income approach vs land value.

Complainant's Requested Value: \$ 1,275,000.00

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

Complainant's Position: The property is assessed as land only and this property should be assessed based on the income approach. In addition, equity data was reviewed which indicated that similar comparable properties in this part of Calgary as assessed based on the income approach. In support of the request, nine (9) non residential land sales were provided and briefly reviewed.

Respondent's Position: A general background on land value vs income approach was outlined. The City provided calculations based on both the land value and income approach on the comparable properties outlined by the Complainant and reported as to why the income approach was more appropriate for the assessment for those properties. Data on 2 of Complainant's comparable properties were provided which indicated that they were not valid to be used as comparable sales. The 2011 Capitalization Rate Study for Freestanding Retail, Strip Centres and Power centres was reviewed. The 7.5 % capitalization rate used on the subject

property is justified by the 2011 study.

Board's Decision:

Upon reviewing the verbal and written evidence provided by the parties, the Board considers that the Complainant failed to demonstrate that the assessment was overstated. The Board confirms the assessment at \$1,600,000.00.

Reasons: The Board concluded that the comparable sale data provided by the Complainant failed to demonstrate comparability, validity and lack of equity. The data and general information provided by the respondent was compelling and indicated that this property was assessed on an equitable basis.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF July 2011.



F.W. Wesseling
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

Complainant: C1 Complainant's Brief

Respondent: R1 Assessment Brief prepared by City of Calgary Assessment

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.*